



2017/18 FY

# GKM FINAL ANNUAL REPORT

Volume I

# Chapter 1

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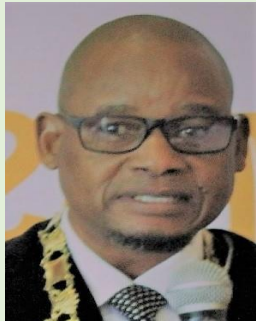
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## CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

### COMPONENT A: MAYOR’S FOREWORD

#### MAYOR’S FOREWORD



**Cllr Ngenisile W. Tekile**

#### **Introduction:**

In compliance to Section 127 of the MFMA no 56 of 2003 and as an expression of commitment to public participation, service delivery, accountable government, Council presents this annual report.

**Firstly, I would like to take this opportunity to acknowledge the former Mayor, Cllr Loyiso Tshetsha who was the leader of the institution for the year (17/18FY) under review.**

Financial challenges still remains the same while revenue collection has declined significantly. This environment has brought about instability which manifested from labour unrest to community protest.

#### **Key Policy Developments:**

In line with the National Development Plan, the Provincial Development Plan, the Amathole Integrated Development Plan and other relevant Sectoral plans our Integrated Development Plan has been developed taking into account the stated plans but as well enriched through a consultative process with our communities, rate payers and other stakeholders. Central to it was the realisation that there was a need to focus on economic growth, sustainable development which would create jobs for our people. Agriculture and Tourism remained the most potential areas for development in the area. Great Kei Municipality is part of the District Agri-park and Council has already identified a suitable site for the development of a food production hub and feasibility study is underway.

Catalyst projects in the Oceans Economy have been identified to intensify coastal development to create

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sustainable jobs. The municipality has also developed the Small Town Revitalization Strategy with the intent to revamp the economic activities and investor tastes Qumrha, Kei Mouth, Morgan Bay and Chintsa. Technical expertise will be appointed through the appointment of service providers to develop strategies and business plans to financially support these programmes going forward.

## **Key Service Delivery Improvements:**

As GKM in the 2017/18 FY we delivered two multi-purpose centres (elderly and for people with disabilities) as well two internal streets at Magrangxeni and Tembalethu Peace Village areas. We have facilitated the electrification of phase II project for Chintsa East Township, Zone 17. The Municipality has spent 100% of its allocated MIG Funding as at end June 2018.

## **Public Participation:**

Our Council view public participation is a cornerstone of any democracy as it enables the participation of communities and organised stakeholders in the matters of the municipality. The Council continues to engage communities on all matters of service delivery including matters that may have been raised by communities on their protests. Secondly the municipality continues to enhance and deepen democracy through ensuring that Ward Committees established function properly and effectively. The Council has also ensured that the ward committees have been empowered with relevant skills in order to ensure that they function appropriately.

## **Future Actions:**

The municipality has noted the economic potential opportunities on various sectors within its jurisdiction and those include investing more on the Oceans Economy and need to boost the Coastal Economic development. Investing in the Oceans Economy may enable the previously disadvantages and local businesses opportunities of growth and development and that may contribute hugely in pushing back the frontiers of poverty. A need to develop an implementation plan in respect to Small Town Revitalization projects will go a long way in changing the lives of the citizens of Great Kei. The municipality must strive to enter into strategic partnerships, twinning arrangements with cities/ municipalities having common developmental features and goals. This would go a long way as those institutions will create a dialogue to share developmental approaches and assistances.

## **Conclusion:**

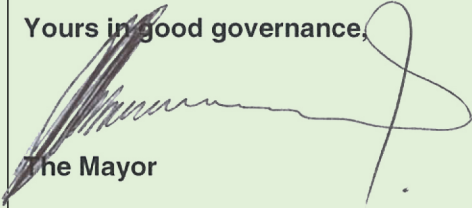
The three consecutively unqualified audit outcomes have pointed that this municipality is in good and capable hands let alone the current financial health situation which may be something of the past should



# Chapter 1

all parties, role players collectively and cohesively work together.

Yours in good governance,

A handwritten signature in dark ink, appearing to be 'M. M. M.', written over the text 'Yours in good governance,'.

The Mayor

T 1.0.1

# Chapter 1

## COMPONENT B: EXECUTIVE SUMMARY

### 1.1. MUNICIPAL MANAGER'S OVERVIEW

#### ACTING MUNICIPAL MANAGER'S OVERVIEW



As the Acting Municipal Manager, I am honoured to present the Annual Report for the year ending 2017/2018. The report has been compiled in line with the following prescripts, the Municipal Finance Management Act, No 56 of 2003, Municipal Systems Act No 32 Of 2000, as well the National Treasury Circular No 63. The report covers the annual performance of Great Kei Municipality for the year ending as at 30 June 2018.

The report allows us to reflect on how the municipality performed and responded to its mandate as a sphere of government charged with the responsibility to deliver services to communities in a sustainable manner so that ultimately we improve the quality of life for our citizens. In this report account shall therefore be given to the progress made by the municipality in its endeavour to fulfil its strategic objectives as expressed in its IDP, Budget and SDBIP,

The year under review was fraught with a number of challenges including the economic down turn that engulfed our country. Our municipality, Great Kei was not immune from the national as well international economic challenges as numbers of unemployment continue to grow resulting to severe loss of our revenue. Indigence grew at an alarming rate and this affected negatively the budget of the municipality.

Notwithstanding all the above stated challenges the municipality in the previous financial years has managed to stabilize the financial management and introduced financial controls which had resulted into receiving Unqualified Audit Opinion consecutively for two consecutive years. Owing to economic down turn that negatively affected our country including the political and administrative instability within the institution the financial health position of the municipality was severely affected.

These achievements would not be realized had the municipality not received assistance from Sector departments viz. Department of Cooperative Government and Traditional Affairs (Cogta) as well as Department of Treasure and lastly our District Municipality (ADM).

It must however be noted that a sizeable amount of work had been achieved by the municipality but a

# Chapter 1

lot more is required to improve the standard of living for our citizens. The municipality has to explore its potential on identified revenue streams as that will improve financial position of the municipality.

On behalf of administration, I would like to express the words of gratitude to the municipal leadership, its decisiveness and focus despite current economic challenges.

I wish to end with a saying that “ the secret of success is to do things uncommonly well”

**I thank you**

The Acting Municipal Manager

.....  
Kwababana Olwethu

31/01/2019

Date

T 1.1.1

# Chapter 1

## 1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### 1.2.1 MUNICIPAL POPULATION AND ENVIRONMENTAL OVERVIEW

The Great Kei Municipality (GKM) is located within the Eastern Cape Province and covers an area of 1 421 square kilometers (km<sup>2</sup>). The Municipality's Headquarters are in Qumrha; and satellite offices in Haga with 5 employees; Kei Mouth with 5 employees and Chintsa with 5 employees. Municipal Services offered in Satellite offices are as follows:

- a) Refuse Removal
- b) Grass Cutting and Clearing of Bushes
- c) Roads Maintenance services

The GKM is bounded in the East by the Great Kei River and Mnquma Local Municipality, by the coastline between Kwelera and Kei Mouth in the South East, by the Buffalo City Municipality in the West and the Amahlathi Municipality, which is situated to the North.

Population of the municipality is distributed into seven wards, which are the amalgamation of previously different communities and municipal entities, including Qumrha, Kei Mouth, Morgan Bay, Haga-Haga, Chintsa East, Chintsa West, Mooi plaas and Kwelera.

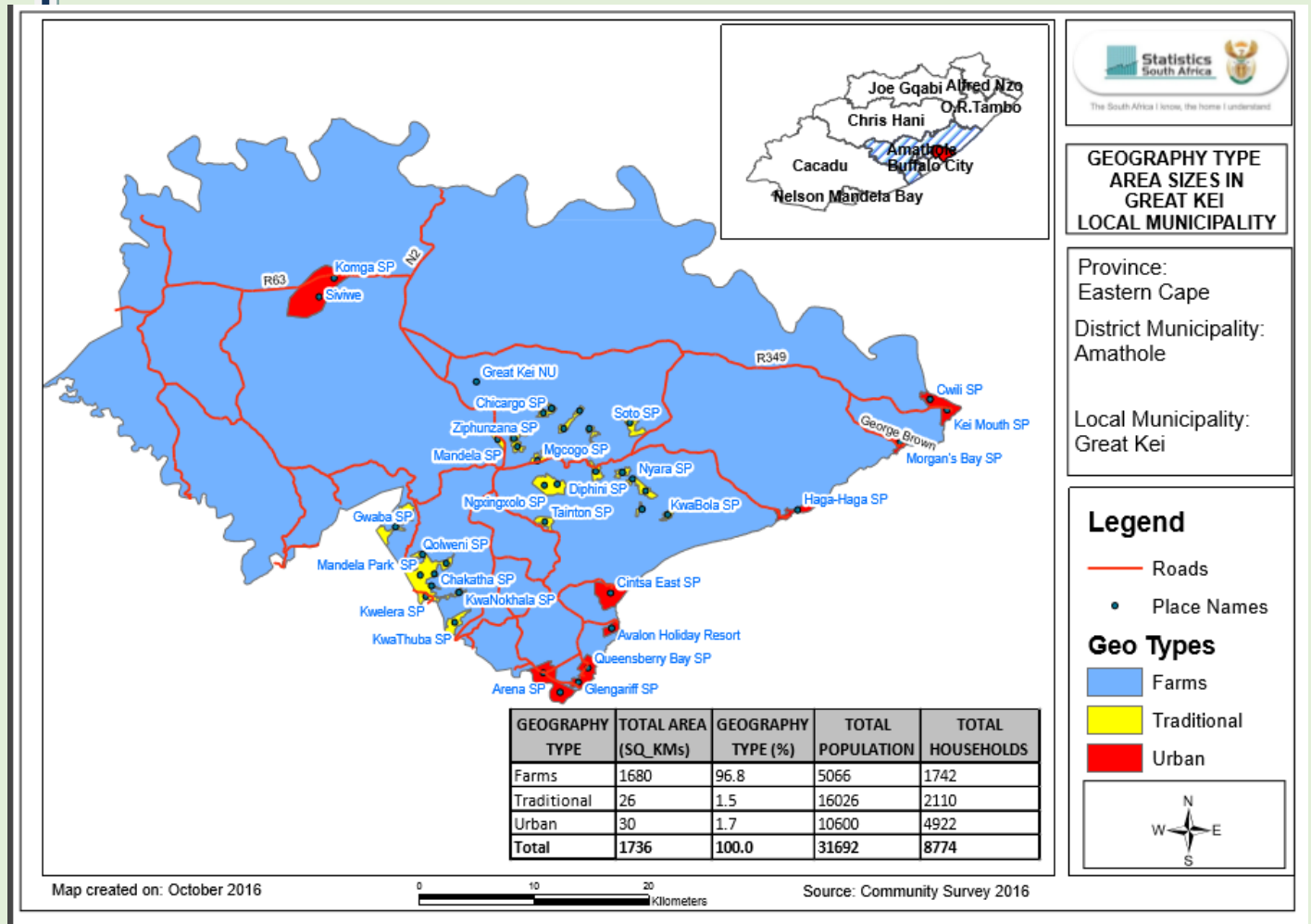
Regional access is obtained through the district via the N2 National Route from East London to Butterworth with a provincial main road N6 connection between Qumrha and Stutterheim and the connection between Qumrha and King William's town and Bhisho is via the R63.

A graphical representation of the Great Kei Local Municipality is illustrated by in Figure 1 below

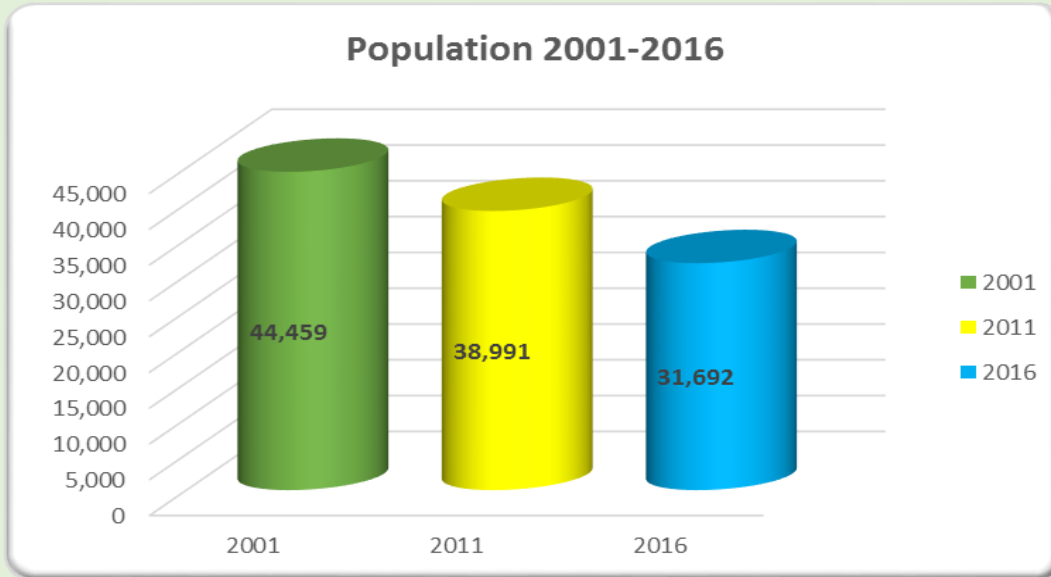
#### **Figure 1- Map of Great Kei Local Municipal Area:**

The below figure 3 , extracted from Statistic South Africa illustrates the spreading of the Great Kei Municipality, which is proportionally distributed according to the 7 wards. Over the years there has been a significant decline of the population, where in 2001 the overall population was 44 459, but significantly declined to 38 991 in 2011. The redetermination of wards has further caused another decline in population to be 31 692 as of August 2016.

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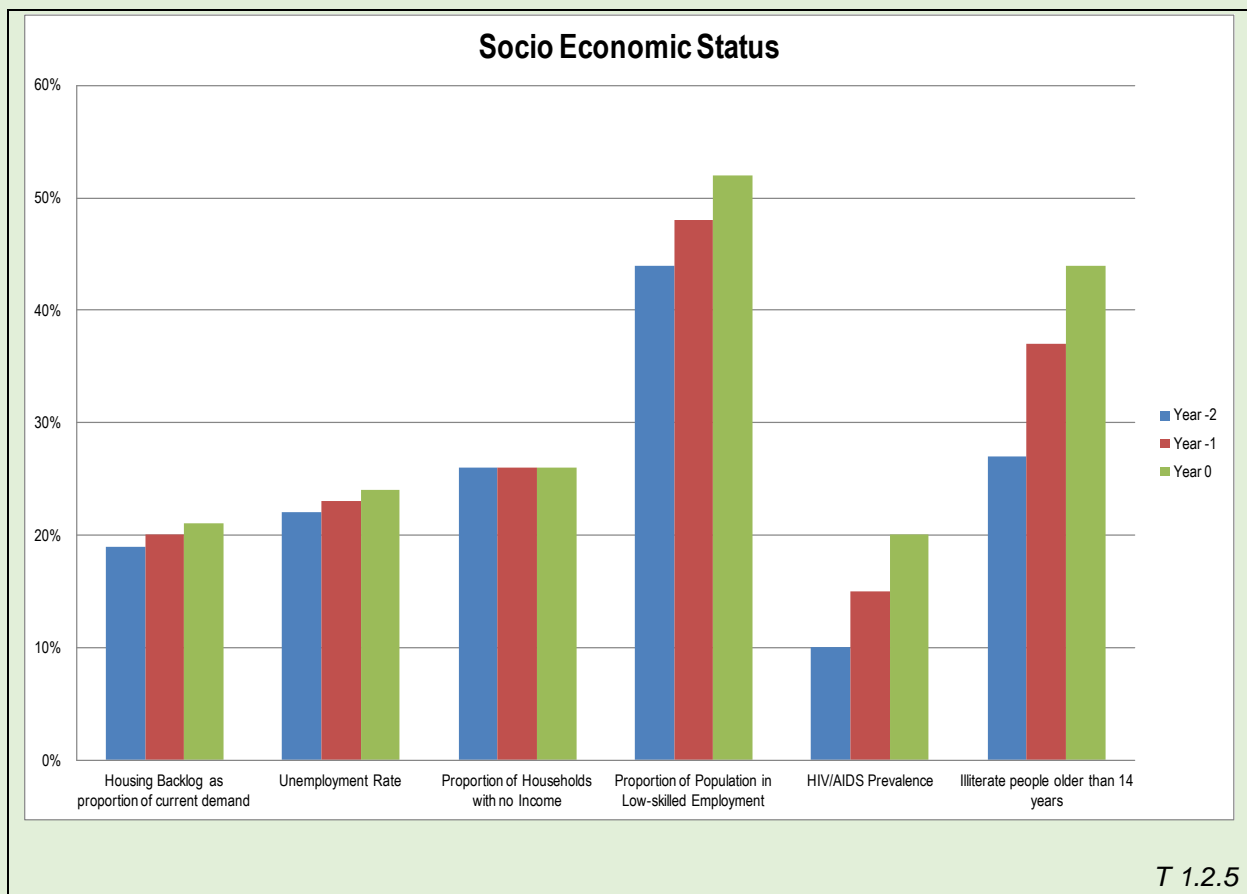


## 2: Population in 2001 and 2016:

Population Details			
Age	2011		
	Male %	Female %	Total %
Age: 0-4	5.6	5.5	11.1
Age: 5-9	4.9	4.5	9.4
Age: 10-19	9.4	8.6	18.0
Age: 20-29	8.2	7.4	15.6
Age: 30-39	5.6	6.4	12.0
Age: 40-49	4.9	5.7	10.6
Age: 50-59	2.3	2.3	4.6
Age: 60-69	2.3	2.3	4.6
Age: 70+	2.3	4.1	6.4
Source: Stats SA			T1.2.2

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Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
Year -2	19%	22%	26%	44%	10%	27%
Year -1	20%	23%	26%	48%	15%	37%
Year 0	21%	24%	26%	52%	20%	44%
T 1.2.4						



Natural resources		
Major resources	natural	Relevance to the community
Sand		The municipality has a small mining sector based on sand mining. The construction, trade and transport sectors have had positive growth this could have a positive effect on the local municipality as these sectors employ semi-skilled workers.
Granite		Mining activity is centered on granite mining which is being

# Chapter 1

	undertaken by Milo Granite (Pty) Ltd. The firm has identified a commercial mining opportunity for the exploitation of granite dimension stone 2 km outside of Qumrha, on the road past the Qumrha Industrial areas, on the farm Castleton. The business is involved with the mining of granite and the supply of the granite blocks to the national and international markets. This initiative has already had some positive results as a number of employment opportunities have happened. More beneficiation on value chain processes shall occur in the form of more employment opportunities as well business opportunities for the local community.
	<i>T 1.2.7</i>

## COMMENT ON BACKGROUND DATA:

Refer to the table above

*T 1.2.8*

## 1.3. SERVICE DELIVERY OVERVIEW

### SERVICE DELIVERY INTRODUCTION

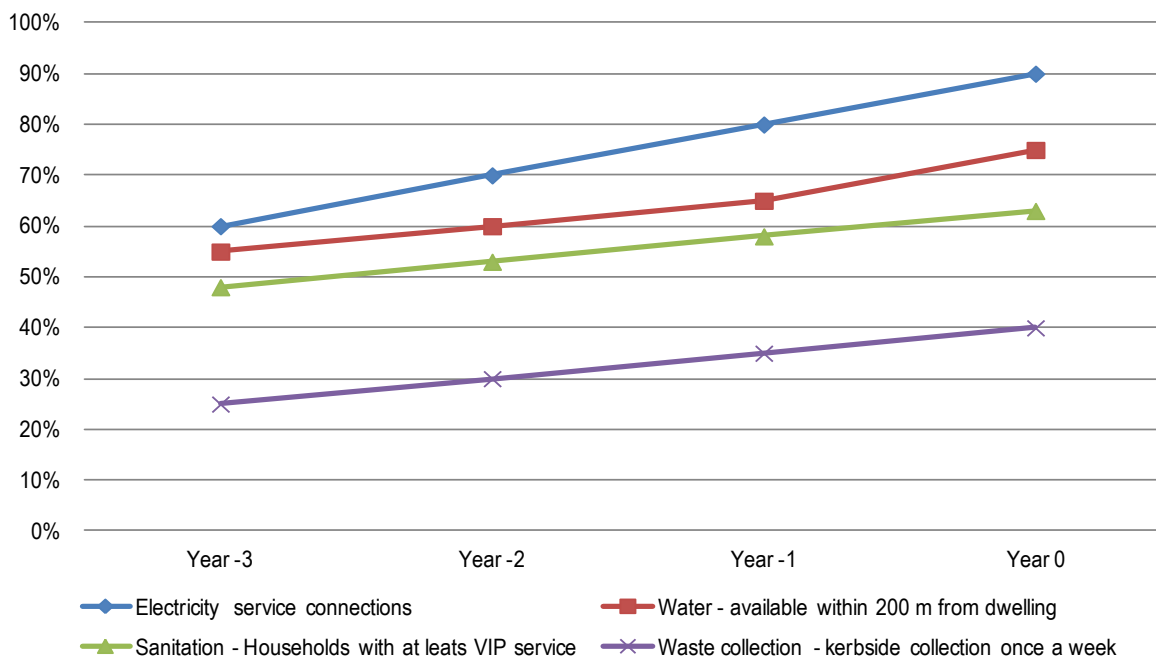
The municipality had seventeen (17) targets, out of these nine (8) achieved and nine (9) not achieved due to number of reasons. The indigent policy is implemented to all registered indigents. For a detailed performance report refer to Component K.

*T 1.3.1*



# Chapter 1

## Proportion of households with access to basic services



T 1.3.2

### COMMENT ON ACCESS TO BASIC SERVICES:

T 1.3.3

## 1.4. FINANCIAL HEALTH OVERVIEW

### FINANCIAL OVERVIEW

Great Kei Municipality is a Grade 2 municipality and for the current year has been experiencing financial problems in terms of meeting its financial obligation. The municipal revenue base consists of rates and services as well as grants and subsidies from National Treasury. Service delivery has been affected by municipal shut down because of offices that were burnt down and this was followed by staff strike action for two full months. This also negatively affected the collection rate of the municipality. For the past 2 years the municipality maintained an unqualified audit opinion but the financial standing of the municipality has dropped drastically in 2017/18 and that has resulted in non-payment of salaries for the months of May and June. The municipality has developed and implemented a financial recovery plan in order to try and improve its financial status. The municipality has also strengthened its internal controls and close monitoring of cash flow projections on a monthly basis.

# Chapter 1

T 1.4.1

Financial Overview: Year 0			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	54407	54337	59177
Taxes, Levies and tariffs	30230	41969	38414
Other	40120	23370	9308
Sub Total	124757	119676	106899
Less: Expenditure	127043	126644	128065
Net Total*	-2286	-6968	-21166
* Note: surplus/(defecit)			T 1.4.2

Operating Ratios	
Detail	%
Employee Cost	42,7%
Repairs & Maintenance	1%
Finance Charges & Impairment	1%
T 1.4.3	

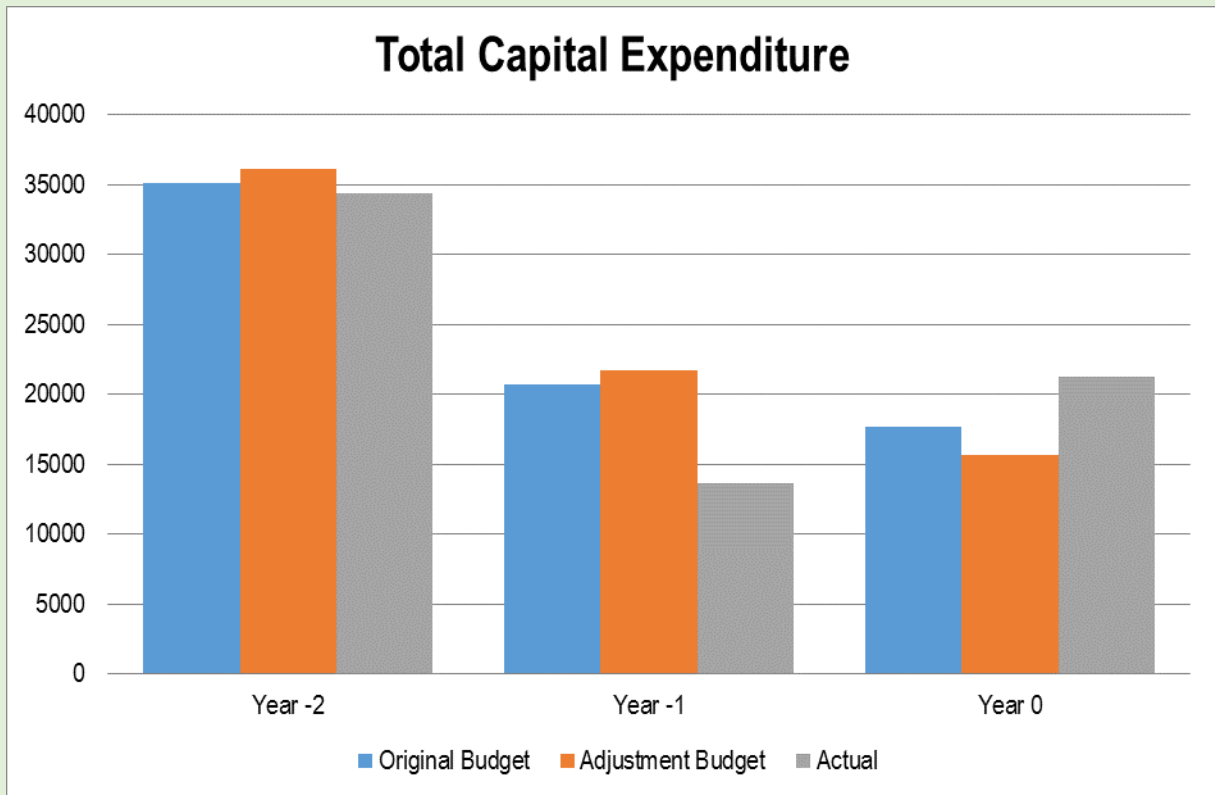
## COMMENT ON OPERATING RATIOS:

The overall percentage salary bill of the Municipality is 42, 7% for the current financial year. This is due to high salary bill compared to other operating expenditure and this percentage is slightly above the Treasury norms. Repairs and maintenance is below the norm due of limited funds and this causes the assets to depreciate in value at a faster rate because these are not repaired.

T 1.4.3

Total Capital Expenditure: Year -2 to Year 0			
			R'000
Detail	Year -2	Year -1	Year 0
Original Budget	35152	20675	17714
Adjustment Budget	36149	21719	15614
Actual	34372	13641	21277
T 1.4.4			

# Chapter 1



*T 1.4.5*

## COMMENT ON CAPITAL EXPENDITURE:

The Municipality has spent 100% of its capital budget for 2017/18. There are no unspent monies for the year under review.

*T 1.4.5.1*

# Chapter 1

## 1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

### ORGANISATIONAL DEVELOPMENT PERFORMANCE

Refer to Chapter 4 of the report

*T 1.5.1*

## 1.6. AUDITOR GENERAL REPORT

### AUDITOR GENERAL REPORT: YEAR 0 (CURRENT YEAR)

The municipality received qualified audit opinion in 2014/15 FY and Unqualified Audit opinion 2015/16. The municipality has maintained Unqualified Audit opinion for 2016/17 FY and as well for 2017/18 FY. For comprehensive Auditor General's report see the report on Chapter 6 of this document.

*T 1.6.1*

# Chapter 1

## 1.7. STATUTORY ANNUAL REPORT PROCESS

No .	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalize the 4th quarter Report for previous financial year	
4	Submit draft year 0 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September – October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	January

T 1.7.1

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## COMMENT ON THE ANNUAL REPORT PROCESS:

The GKM annual report is aligned to the annual report process as regulated in circular 63 of MFMA. The process started in the beginning of July 2018, this was to allow more time for the departments to report accurate and credible information. The document is also aligned with the IDP, Budget and Performance Management System. The annual performance report of the municipality also forms part of the annual report as legislated.

### **Link between IDP, PMS and Budget**

Developed municipal objectives of the IDP had been translated into service delivery targets for the municipality and departmental senior managers cascaded those objectives down to lower level. The municipality then developed SDBIP as a monitoring tool of the objectives set out in the IDP. After the situational analysis the municipality prioritized according to the budget it had. Annual budget of a municipality is output-driven and that the intended outcomes are in line with the service delivery objectives outlined in the IDP. Thus, a sound municipal budget is one which sensibly allocates realistically expected resources to the achievement of defined objectives identified as priorities in the approved IDP. The operating and capital budgets must be aligned with the objectives and strategies contained in the IDP.

The GKM has fully complied with all the required time frames of the annual report.

*T 1.7.1.1*

# Chapter 2

## CHAPTER 2 – GOVERNANCE

### INTRODUCTION TO GOVERNANCE

A successful political-administrative interface within the public service is at the core of good public sector governance and effectiveness, which in turn is critical for improved public service delivery and the achievement of national development goals. Great Kei Municipality was established in accordance to section (12) of the local government Structures Act 117 of 1998, and as category B Municipality. Great Kei Council is a plenary executive system combined with a ward participatory system as provided in the section (9) of the same act.

In essence Great Kei has got a political arm championed by the Speaker who is also a Mayor and the administrative arm where the Municipal Manager is the head.

The GKM is committed to good governance and clean administration. This was evident in both 2015/16, 2016/17 and 2017/18 audit outcomes where the municipality achieved unqualified audit opinion for the third consecutive times since its inception. The municipality also received an award in good governance/ clean administration for 2015/16 and 2016/17 financial years consecutively.

*T 2.0.1*

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

#### INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The GKM political and administration governance has been fairly stable with some challenges that emerged towards the end of the financial year thus resulting into a protracted strike by employees. There are cordial relations between the council and the administration. The Oversight committees are functional and sit as documented in the council calendar and process plan.

The municipality adheres to its council calendar and all the plans of the council

*T 2.1.0*

#### 2.1 POLITICAL GOVERNANCE

##### INTRODUCTION TO POLITICAL GOVERNANCE

The legislative arm of Council is headed by the Speaker of Council, who presides over Council meetings. The Speaker is responsible for coordinating and managing the functioning and development of Section 79 committees and Councillor Affairs. In addition, the Speaker fulfils the role of building

# Chapter 2

democracy; and managing community participation in local government, particularly through the ward committees, by ensuring that they function effectively. The Speaker has to ensure public consultation, involvement and participation in the affairs of the Municipality. The Speaker has been supported by the Chief Whip of Council, Cllr. Luleka Ndabambi Gavumente, whose role has been to maintain cohesion and unity within the governing party and to build relationships with other political parties represented in Council.








Other tasks included:

- Ensuring that each of the political parties are properly represented on the various committees;
- Maintaining sound relations between the various political parties; and
- Attending to disputes between political parties.

The Chief Whip was further responsible for enhancing the maintenance of sound relations and speedy resolution of disputes among various represented political parties.






Great Kei Municipality does have both the Audit Committee and the Oversight Committee that provides opinions and recommendations on financial processes and performance and provides comments to the Oversight Committee (or some other stated committee) on the Annual Report. However Great Kei Municipal Oversight committee is made up of only Councillors, with the specific purpose of providing Great Kei Council with comments and recommendations on the Annual Report.

T 2.1.1

COUNCIL				
Name of councilor	Capacity	Gender	Political Party	Ward/ PR
L.D. TSHETSHA	SPEAKER/MAYOR	MALE		5
N. KANTSHASHE-TILDINI	WARD COUNCILLOR	FEMALE		5
T. GQOMOROSHE	WARD COUNCILLOR	MALE		7
L. TONZE	WARD COUNCILLOR	FEMALE		6
NONKOSINATHI VEREZAR MEVANA	WARD COUNCILOR	FEMALE		4
NTOMBIZANELE PRINCESS MGEMA	PR COUNCILOR	FEMALE		7
LULEKA NDABAMBI GAVUMENTE	CHIEF WHIP	FEMALE		6



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COUNCIL				
Name of councilor	Capacity	Gender	Political Party	Ward/ PR
L.MHLONTLO	WARD COUNCILLOR	FEMALE		3
WELILE NDORO	PARTY REPRESENTATIVE	MALE		3
SHARNE MURIEL JACOBS	PARTY REPRESENTATIVE	FEMALE		1
BEV WOOD	WARD COUNCILLOR	FEMALE		1
T NDOLOSE	PARTY REPRESENTATIVE	MALE		7
Z NZUZO	WARD COUNCILLOR	MALE	Independent	2
				T2.1.2

# Chapter 2

A Picture of Great Kei Municipality Councillors for 2017/18 FY

## KNOW YOUR COUNCILLOR





**Mayor/Speaker – Cllr Loyiso Dion Tshetsha**  
043 831 5721 / 079 653 6608

 <b>Cllr Luleka Ndabambi</b> Chief Whip 072 728 2274	 <b>Cllr Tutu Ndolose</b> PR Councillor 043 831 5721 / 078 136 4370	 <b>Cllr Welile Ndoro</b> Chairperson MPAC 043 831 5721 / 079 666 3996	 <b>Cllr Sharne Jacobs</b> PR Councillor 043 722 9591 / 084 602 7316
 <b>Cllr Ntombizanele Mgema</b> Portfolio Head: Good Governance and Public Participation 043 831 5721 / 083 374 0540	 <b>Cllr Berverley Wood</b> WARD 1 043 831 5721 / 083 697 1758	 <b>Cllr Zolani Nzuzo</b> WARD 2 043 831 5721 / 073 868 8011	 <b>Cllr Lwandisa Mhlontlo</b> WARD 3 043 831 5721 / 073 467 6108
 <b>Cllr Nonkosinathi Verezer</b> Mevana - WARD 4 043 831 5721 / 078 601 8854	 <b>Cllr Ndileka Kantshashe-Tildini</b> WARD 5 043 831 5721 / 072 387 8249	 <b>Cllr Linda Tonze</b> WARD 6 043 831 5721 / 078 264 8438	 <b>Cllr Temba Gqomoroshe</b> WARD 7 043 831 5721 / 073 972 2191

# Chapter 2

## POLITICAL DECISION-TAKING

Great Kei Municipality is the category B and a plenary executive system combined with ward participatory system, as provided for in the Local Government Municipal Structures Act No.117 of 1998, Section 9. Therefore all political decision are collectively taken by Council which has a both legislative and executive authority for this type of Municipality. The percentage of implemented Council Resolution is (93%), against 99 decisions taken and other were partially achieved and around issues:

Roads and Storm-water  
Electricity  
Housing

T 2.1.3

## 2.2 ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The role of public administration in governance is a continuing topic of discussion and debate. The current worldwide reassessment of the functions of the State and of public officials (politicians) and civil servants arises from two major sources, one is globalization and its impacts on what governments must do to adapt and respond to rapidly changing international economic, social, political and technological trends; the other is increasing dissatisfaction among citizens in many countries, including South Africa with the functions of government and the services that public administrations provide.

The Municipal Council of Great Kei Municipality is obliged by relevant Local government prescripts to appoint a person as a Municipal Manager in terms of Section 54A of the Municipal Systems Act 32 of 2000, this person is of course the head of administration and the Accounting Officer. The role of the Municipal Manager is primarily threefold in nature, namely:--

- Performs procedural duties as re-political structure, such as to call first council meeting after the end of council terms, as the Municipal Electoral Officer with IEC.
- Heads the Administration by also ensuring that the administration of the affairs of the municipality are governed by the democratic values and principles enshrined in the Constitution of the Republic of South Africa.
- The Accounting Officer (Municipal Manager) is accountable to Council, in that one should ensure that Great Kei Municipality is broadly representative of the South African people, with employment and

# Chapter 2

personnel management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past to achieve broad representation.


Great Kei Municipality has four Directorate and the Office of the accounting officer that being the following:

- Corporate Services Directorate
- Budget and Treasury Office
- Strategic Services
- Technical & Community Services

All these Directorates are headed by Directors or Senior Managers directly accountable to the Municipal Manager, as per the provision of the Municipal Systems Act. Each Director has his or her performance agreement entered into with the Municipal Manager. These contact provides terms of how these Managers work with the Accounting Officer.

*T 2.2.1*

# Chapter 2

PHOTO	TOP ADMINISTRATIVE STRUCTURE	FUNCTION/S
	<b>ACTING MUNICIPAL MANAGER</b> <b>Ms. Olwethu Kwababana</b>	The Municipal Manager is a key role player in the functioning of the municipality. She acts not only as a communication channel between The Council and community, but also as an accounting officer and head of Administration of the municipality.
	<b>CHIEF FINANCE OFFICER : Budget &amp; Treasury</b> <b>CFO : Ms. Sindiswa Mini</b>	<ul style="list-style-type: none"> <li>▪ Budget &amp; Treasury</li> <li>▪ Supply Chain Management</li> <li>▪ Revenue Management</li> <li>▪ Creditors &amp; Expenditure</li> <li>▪ Valuation</li> <li>▪ Asset Management</li> </ul>
	<b>DIRECTOR: Technical and Community Services</b> <b>Director: Ms. Olwethu Kwababana</b>	<ul style="list-style-type: none"> <li>▪ Roads &amp; Storm-water Services</li> <li>▪ Town Planning Services</li> <li>▪ Building Control &amp; Maintenance</li> <li>▪ Environmental Management</li> <li>▪ Electricity &amp; Project Management</li> <li>▪ Parks &amp; Cemeteries Management</li> </ul>
	<b>DIRECTOR: Corporate Services</b> <b>Director: Mr. Jongisizwe Gomomo</b>	<ul style="list-style-type: none"> <li>• Develops strategies for the directorate</li> <li>• Develops and manage HRM of the directorate</li> <li>• Provide an on job support</li> </ul>
	<b>DIRECTOR: STRATEGIC SERVICES</b> <b>Director: Mzimasi Mtalo</b>	<ul style="list-style-type: none"> <li>✓ Develops strategic objectives for the directorate</li> <li>✓ Co-ordinate IDP and PMS within the municipality</li> <li>✓ Compiles budget and inputs into the revenue</li> <li>✓ Facilitate development and monitoring of IDP and PMS</li> </ul>
<b>Note: * denotes officials on fixed term performance contracts reporting to the Municipal Manager under the Municipal Systems Act Section 57.</b>		
<b>T2.2.2</b>		



# Chapter 2

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

In terms of chapter 4 of Local Government: Municipal Systems Act, No.32 of 2000, (1) a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose-encourage, and create conditions for, the local community to participate in the affairs of the municipality.

The IDP, PMS and Budget preparation process requires an extensive consultation and participation of communities, all role players and key stakeholders in order to achieve shared understanding of the municipal development and alignment. Although municipalities are expected to establish participation structures, it will however be critical to consider utilizing existing arrangements, and adapt them if necessary, and avoid duplication of mechanisms.

The GKM has effective and efficient operational structures such as, IDP, PMS and Budget Representative Forum, IDP, PMS and Budget Steering Committee, Wart-Committees, IGR Structures.  
*T 2.3.0*

## 2.3 INTERGOVERNMENTAL RELATIONS

### NATIONAL INTERGOVERNMENTAL STRUCTURES

The municipality is participating into National Intergovernmental Structures, through national institute of auditors and COGTA programs such as capacity building workshops organized by COGTA. The benefit to that effect is major when it comes to capacity building of municipal officials as it is general knowledge that Great Kei is lacking in other areas of skills.

Our internal audit is registered with the national institute of auditors and the municipality has set aside a budget to pay for registration and that forum is assisting in terms of capacitating our internal audit unit. The support that we are getting from national forums is mostly on capacity building not necessary injection of financial resources.

*T 2.3.1*

### PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The Provincial Intergovernmental Structures are key in terms of assisting the municipality general and in particular on service delivery issues and other related issues raised through Presidential Hotline.

The municipality is participating in Provincial Munich and Provincial IDP Assessments. The municipality is also participating in provincial communication structure.

*T 2.3.2*

# Chapter 2

## RELATIONSHIPS WITH MUNICIPAL ENTITIES

The Amatole District Municipality established its municipal entity, ASPIRE, with a purpose to lobby funding and facilitate economic development within its jurisdiction. This entity is playing a critical role on matters of local development within the municipality i.e. local tourism and Local economic development.

*T 2.3.3*

## DISTRICT INTERGOVERNMENTAL STRUCTURES

The municipality is participating in District IDP/PMS and Budget Representatives Forums also the municipality forms part of the District IDP planning and coordination forum which normally meets once a quarter.

Great Kei is also participating in a District Mayoral DIMAFO which meets once a quarter, there is also District Communication forum and District IGR (Intergovernmental Forum ) which also meets once a quarter organized by a district municipality. There is also a district Chief Financial Officers forum which also assists in addressing issues of audit by Auditor General and other finance related matters such as GRAP compliance and MFMA calendar implementation and compliance. We participate in many District Forums such as District Communication Forum, District Engineering Forum, District IDP Forum, District Speakers Forum, District LED Forum etc.

There is also a district agricultural stakeholder forum and other related forums of the district. These district forums assist in terms of alignment of programs which ultimately deter duplication of services. These forums also assist in information sharing and capacity building.

*T 2.3.4*

# Chapter 2

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Section 16 of the MSA refers specifically to the development of a culture of community participation within municipalities. It states that a municipality must develop a culture of municipal governance that compliments formal representative government with a system of participatory governance. For this purpose it must encourage and create conditions for the local community to participate in the affairs of the community. Such participation is required in terms of:

The preparation, implementation and review of the IDP;  
Establishment, implementation and review of the performance management system;  
Monitoring and review of the performance, including the outcomes and impact of such Performance; and the preparation of the municipal budget

During the 2017/18 financial year communities were engaged through road shows/ mayor's programs, IDP/PMS and budget representative forum meetings and ward meetings.

*T 2.4.0*

### 2.4 PUBLIC MEETINGS

#### COMMUNICATION, PARTICIPATION AND FORUMS

The communication is taking place with stakeholders through the municipal communication policy. In terms of the IDP/PMS and Budget forums stakeholders are partaking including sector departments.

The following are the stakeholders which form part of our communication and participation forums.

- Councilors;
- Ward Committees;
- GKM Local Home Affairs Stakeholder Forum
- GKM Disability Forum
- GKM Youth Council
- GKM Sport Council
- GKM Agricultural Forum
- GKM LED Forum
- GKM IDP/PMS and Budget Rep Forum
- GKM IGR Forum



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- GKM SPU Forum
- Community Development Workers
- Community - based organizations;
- Community Safety Forum
- Advocates for unorganized groups
- Civil society
- Business People
- Organized Labor
- Sector Departments

**Furthermore following is the procedure of communication and consultation.**

## **Participation Procedure**

Provisions of MSA Chapter 4 Section 17 provide for mechanisms for participation:

- IDP Representative Forum to verify and add data
- District Municipality's Representative Forum to ensure that local priorities are adequately reflected in the District's IDP
- Use Ward Councilors to call meetings to keep communities informed about the IDP progress (including Ward Committees and CDWs)
- Publish annual reports on municipal progress
- Advertise in local newspapers
- Making the IDP document available to all units and public places for public comments
- Making use of municipal website.

## **Appropriate Language Use**

English interpreted in Xhosa is used as a medium of communication during presentations. However in community meetings languages that are spoken in that community will also being used.

*T 2.4.1*

# Chapter 2

## WARD COMMITTEES

### Establishment of Ward committees

Great Kei Municipality established ward committee and their operational plans to promote public participation as mandated by Local Government: Municipal Structures Act, No 117 of 1998 and Local Government: Municipal Systems Act, No 32 of 2000. Ward committees were elected during 2016/17 financial year and signed Code of Conduct for Ward Committees, which serves as a guiding tool on how they should conduct themselves.

### Public Meetings-2017/18

Nature and purpose of the meeting	Date of the event	Number of participating Municipal Councilors	Number of participating Municipal Administration	Number of Communities Attending	Issue addressed (yes / no)	Date and manner of feedback given to communities
<b>Special Council</b>	2017 August 14	13	4	0	YES	Confidential Items were discussed
<b>Ordinary Council</b>	2017 August 31	13	3	0	YES	Community Feedback
<b>Special Council</b>	2017 September 04	11	3	0	YES	Confidential Items were discussed
<b>Special Council</b>	2017 October 13	12	3	0	YES	Confidential Items were discussed
<b>Special Council</b>	2017 October 31	11	2	0	YES	Confidential Items were discussed
<b>Special Council</b>	2017 November 03	10	4	0	YES	Confidential Items were discussed
<b>Ordinary Council</b>	2017 December 15	10	13	19	YES	Council Recess & Closure of Municipal office
<b>Special Council</b>	2018 January 31	11	8	65	YES	Council Opening & Strategic Planning Preparation
<b>Special</b>	2018 February	12	5	0	YES	Strategic

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<b>Council</b>	27					Planning Session Report
<b>Ordinary Council</b>	2018 March 29	11	9	43	YES	Draft Budget, Draft IDP & Policies
						<i>T.2.4.3</i>

Ward committees are there to assist and support Ward Councilors by submitting the needs and priorities of the ward and provide feedback to communities for the issues affecting their wards. They submit reports on monthly basis to the municipality through Ward Councilors for all the issues raised from ward committee meetings. Ward committee meetings are attended by Community Development Workers in order to refer other issues to relevant spheres of government.

Critical issues raised from Great Kei Municipal wards;

Access roads and internal street.

Construction of RDP houses for all wards.

Water and Sanitation e.g. Toilets that were not finished by ADM, portable toilets at Morgan's Bay, challenge of water at Qumran.

Indigent register and alternative fuel for farm dwellers.

Job creation and skills development.

Accountability

Ward committees are organizing community meetings and report to Ward Councilors for feedback on matters affecting communities, do door to door campaigns and arrange interactions and meetings with communities on quarterly basis.

*T 2.4.2*

## COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

Effective public participation in the affairs of the municipality

Structured accountability

Effective intergovernmental relations

Transparent and democratic processes of the municipality to the community

Compliance with the law

*T 2.4.3.1*

## 2.5 IDP PARTICIPATION AND ALIGNMENT

# Chapter 2

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	T 2.5.1

## COMPONENT D: CORPORATE GOVERNANCE

### OVERVIEW OF CORPORATE GOVERNANCE

The Cooperative Governance and Intergovernmental Relations is one of the core mandates, which Great Kei is expected to exercise in collaboration with other stakeholders. Great Kei is complying with the principles of Cooperative Governance and Intergovernmental Relations through IDP forums and IGR forum that is sitting quarterly through the assistance of the District Municipality.

There are contributions that are taking place with relates to service delivery in particular service delivery areas which do not fall within the municipal mandate and those that fall within the municipal mandate but the municipality doesn't have adequate financial resources to respond to those areas raised by the communities.

T 2.6.0

## 2.6 RISK MANAGEMENT

### RISK MANAGEMENT

#### Role of Risk Management

The management of risk is the process by which the Accounting Officer, Chief Financial Officer and the other senior management of a Municipality are pro-actively, purposefully and regularly, but at least annually, identify and define current as well as emerging business, financial and operational risks and identify appropriate, business and cost effective methods of managing these risks within the Municipality, as well as the risk to the stakeholders.

Risk management ensures that management has a process in place to both set objectives and align the objectives with GKM's mission and vision and is consistent with GKM's risk tolerance. The setting of these objectives is usually completed during the, "Strategic planning and Budgetary process." GKM objectives can be viewed in the context of five categories:

1. Strategic Objectives- relating to high-level goals, aligned with and supporting GKM's mission and vision;
2. Operations- relating to effectiveness and efficiency of GKM's operations, including performance and service delivery goals. They vary based on management's choices about structure and performance;
3. Reporting- relating to the effectiveness of GKM's reporting. They include internal and external reporting and may involve financial or non-financial information;
4. Compliance- relating to GKM's compliance with applicable laws and regulations;
5. Safeguarding of assets- relating to prevention of loss of a GKM's assets or resources, whether through theft, waste or inefficiency. Where the safeguarding concept applies to the prevention or timely detection of unauthorized acquisition, use, or disposition of GKM's assets.

#### Internal audit role in risk management

The Internal Auditor's role in risk management includes: -  
focusing on the significant risks, as identified by management, and auditing the risk management processes across the Municipality; providing assurance on the management of risk; providing active support and involvement in the risk management process; facilitating risk identification / assessment and educating line staff in risk management in internal control and the recommendations to improve them; to assess risk management matters of significant importance reported by the internal auditor; and to assess and confirm the policies, strategy and procedures for identifying areas of risk and the measures implemented to ensure adequate control of and security at such areas.

T 2.6.1

# Chapter 2

The table below indicates the top five risks within the Municipality as identified by management:

Risk Category	Risk Description	Root Causes
<b>Human Resources / Information Integrity</b>	Non-compliance to the legislative prescripts and institutional policies	<ul style="list-style-type: none"> <li>▪ Lack of awareness of legislation to comply;</li> <li>▪ Unclear roles and responsibilities;</li> <li>▪ Inadequate organisational structure, e.g. key positions funded not filled;</li> <li>▪ Absence of a compliance officer;</li> <li>▪ Leadership instability leads to lack of direction;</li> <li>▪ Over regulation of local government; and</li> <li>▪ Non alignment of internal policies to the relevant legislation and regulations.</li> </ul>
<b>Change Management / Organisational</b>	Non alignment to the organisational structure to IDP objectives and budget	<ul style="list-style-type: none"> <li>▪ Organogram not timely approved in line with the IDP and budget</li> <li>▪ Inability for the municipality to fund organisational structure</li> <li>▪ Lack of prioritization of critical positions to sufficiently implement the strategic objectives</li> </ul>
<b>Human Resources</b>	Ineffective implementation of the Work-Skills Plan	<ul style="list-style-type: none"> <li>▪ Inadequate participation by management on skills gap assessment.</li> <li>▪ Inappropriate manner of identifying skills gap</li> <li>▪ Ineffective performance management</li> </ul>
<b>Regulatory / Health</b>	Non-compliance with Health and Safety Regulations by June 2017	<ul style="list-style-type: none"> <li>▪ Lack of adequate health and safety plans</li> <li>▪ Lack of Health and Safety equipment</li> <li>▪ Lack of capacity for first-aid occupational health and safety</li> <li>▪ Evacuation procedures not formally developed and communicated</li> <li>▪ Lack of regular building assessments for compliance with safety regulations</li> <li>▪ Non training of Health and Safety committee and first aid representatives</li> <li>▪ Absence of fire marshals</li> <li>▪ No medical examination of employees, especially general workers</li> </ul>
<b>Governance</b>	Ineffective/inadequate administrative support for oversight committees	<ul style="list-style-type: none"> <li>▪ Lack of human and knowledge capacity within Council Support</li> <li>▪ Non implementation of Council and its sub committees recommendations and resolutions</li> <li>▪ Poor credibility of reports submitted to Council and its sub committees</li> <li>▪ Lack of training of Councilors and its sub committees.</li> <li>▪ Poor administration support to Council and its sub committees</li> <li>▪ Lack of consequence management</li> <li>▪ Poor quality of minutes taking</li> </ul>

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## 2.7 ANTI-CORRUPTION AND FRAUD

### FRAUD AND ANTI-CORRUPTION STRATEGY

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the Municipal Finance Management Act (MFMA), section 112(1) (m)(l) identifies supply chain measures to be enforced to combat fraud and corruption, favoritism and unfair and irregular practices. Section 115(1) of the MFMA states that the Accounting Officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud.

The strategies listed below have been adopted and are implemented by Council:

1. Anti-fraud and prevention strategies
2. Fraud Prevention Plan
3. Code of Ethics for Municipal Employees
4. Fraud Prevention Policy
5. Whistleblowing Policy

*T 2.7.1*

## 2.8 SUPPLY CHAIN MANAGEMENT

### OVERVIEW SUPPLY CHAIN MANAGEMENT

The objective of Supply Chain Management is to procure goods and services. The Great Kei Municipality Supply Chain Management is centralized for all the municipal procurement services. As per the SCM standards and norms, all SCM committees are in place and functional. The organizational structure has made provisions for separation of duties. Contracts Management Unit is located within the SCM unit. On average, procurement processes takes about 38 day's turnover for competitive bidding, for informal tender process an average time takes about 12 days and for three quotations it takes about a week.

The accounting officer established a committee system that is consistent with the MFMA and Municipal SCM Regulations for competitive bids which consists of:

- Bid Specification Committee
- Bid Evaluation Committee
- Bid Adjudication

The supply chain processes are guided by the SCM policy of the municipality which is reviewed annually.

#### Challenges

Lack of professional skills within the Great Kei area  
Quoting above /below market related prices

# Chapter 2

## Remedial action

Workshops are conducted for suppliers by SMMEs and supplier days are conducted as well  
The Municipality has provided computer and access to internet to and assists suppliers to register on CSD.

T 2.8.

## 2.9 BY-LAWS

BY-LAWS EXISTED SINCE 2015/16 FINANCIAL YEAR					
Newly Developed	Revised	Public participation Conducted Prior to Adoption of By-Laws ( Yes / No)	Date of Public participation	By-laws Gazetted (yes/no)	Date of Publication
Liquor trading by-law	Not yet	Yes but not yet gazetted	September 2015	No	N/A
Street Trading by-law	Not yet	Yes but not yet gazetted	September 2015	No	N/A
Prevention of nuisance by-law	Not yet	Yes but not yet gazetted	September 2015	No	N/A
By- law relating to advertising signs	Not yet	Yes but not yet gazetted	September 2015	No	N/A
By-law relating to public open space	Not yet	Yes but not yet gazetted	September 2015	No	N/A
By-law relating to use and hire of municipal buildings	Not yet	Yes but not yet gazetted	September 2015	No	N/A
By-law relating to neglected buildings & Premises	Not yet	Yes but not yet gazetted	September 2015	No	N/A
Waste Management by-law	Not yet	Yes but not yet gazetted	September 2015	No	N/A
By-law relating to Cemeteries & Crematoria	Not yet	Yes but not yet gazetted	September 2015	No	N/A



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<b>By-law on Spatial Land Use Management</b>	Not yet	Gazetted	September 2015	No	N/A
<b>Rates Policy by-law.</b>	Not yet	Approve in June 2017	May 2018	No	N/A
<b>Credit Control and Debt Collection by-law.</b>	Not yet	Approved in June 2017/18	May 2018	No	N/A
<b>Tariff Policy by-law.</b>	Not yet	Approved in June 2017/18	May 2018	No	N/A
<b>Indigent Policy by-law.</b>	Not yet	Approved in June 2017/18	May 2018	No	N/A
<b>Rates Policy by-law.</b>	Not yet	Approved in June 2017/18	May 2018	No	N/A

**T 2.9.1**

## COMMENT ON BY-LAWS:

The Great Kei Municipality is a plenary type council and has got thirteen (13) and seven (7) wards respectively. Therefore the Public Participation process was conducted on all wards. However some by-laws have not yet been gazetted, though the institution has requested both Amatole District Municipality and EC Cota to assist financially to have the by-laws Gazetted  
In the light of its size, the Municipality would work in conjunction with the relevant law enforcement agencies, such as SAPS, Traffic Law Services, to enforce the By-Laws once are gazetted.

**T 2.9.1.1**

## 2.10 WEBSITES

<b>Documents published on the Municipality's / Entity's Website</b>	<b>Yes / No</b>	<b>Publishing Date</b>
<b>Current annual and adjustments budgets and all budget-related documents</b>	Yes	17/18 FY
<b>All current budget-related policies</b>	Yes	
<b>The previous annual report (Year -1)</b>	Yes	16/17
<b>The annual report (Year 0) published/to be published</b>		
<b>All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards</b>	Yes	17/18
<b>All service delivery agreements (Year 0)</b>	N/A	N/A
<b>All long-term borrowing contracts (Year 0)</b>	Yes	N/A

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All supply chain management contracts above a prescribed value (give value) for Year 0	Yes	17/18
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	N/A	N/A
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	N/A	N/A
Public-private partnership agreements referred to in section 120 made in Year 0	N/A	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	Yes	17/18
		<i>T 2.10.1</i>

## COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

Documents are loaded on the Municipal website as and when a need arises. Currently the municipality does not have personal computers that are accessible to the public however our libraries do have the personal computers accessible to the public. Municipality is in a process of procuring the services and as well reconstructing our website for ease use by the public

*T 2.10.1.1*

## 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

### PUBLIC SATISFACTION LEVELS

Public satisfaction survey not done in the year in question.

*T 2.11.1*

2

# Chapter 3

## CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### INTRODUCTION

Out of 17 targets set 8 have been achieved and 9 not achieved. And the overall percentage achievement is 47%.

For the detailed report refer to chapter 3 component K of this report.

*T 3.0.1*

### COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

#### INTRODUCTION TO BASIC SERVICES

##### Water services

##### **a. Water services delivery strategy and main role-players:**

The ADM is the Water Services Authority and a Water Services Provider, thus the Great Kei Local Municipality participates in the development of Water Services Plan to inform planning and funding requirements. The ADM did lay bulk water pipeline from the reservoir to the area and planning Construction of Water Reticulation to 1140 Erven and also the upgrading of bulk water supply for Great Kei Local Municipality.

##### **b. Levels and standards in water services:**

An increase in the water services provision was noticed between 2001 and 2011 where in 2001 only 8.4 % households had an access to piped water services whilst in 2011 about 13.7 % households have access to piped water services.

The GKM is responsible for access roads, roads maintenance, electricity distribution in Qumran and its townships, housing facilitation and solid waste management

*T 3.1.0*

# Chapter 3

## 3.1. WATER PROVISION

### INTRODUCTION TO WATER PROVISION

#### Water services

a. Water services delivery strategy and main role-players:

The ADM is the Water Services Authority and a Water Services Provider, thus the Great Kei Local Municipality participates in the development of Water Services Plan to inform planning and funding requirements. The ADM lay bulk water pipeline from the reservoir to the area and planning Construction of Water Reticulation to 1140 Erven and also the upgrading of bulk water supply for Great Kei Local Municipality.

b. Levels and standards in water services:

An increase in the water services provision is noticed between 2001 and 2011 where in 2001 only 8.4 % households had an access to piped water services whilst in 2011 about 13.7 % households have access to piped water services.

*T 3.1.1*

*T 3.1.2.1*

### COMMENT ON WATER USE BY SECTOR:

This is a district function though it is performed local and at all times the local report and collaborate with the district on matters relating to water services. The Amatole District Municipality in the case of Great Kei performs this function.

*T 3.1.2.2*

This is not the GKM function but for ADM

*T 3.1.5*

# Chapter 3

## COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

This is not the GKM function but ADM

*T 3.1.10*

## 3.2 WASTE WATER (SANITATION) PROVISION

### INTRODUCTION TO SANITATION PROVISION

Sanitation services is the function of Amatole District Municipality. Only 9.4 % of the total population has access to flushed toilet services though, which is an increase from 2001, where only 8.9 % of the population had access to the service. **(Census 2011)**

*T 3.2.1*

This not the GKM function. It is the ADM funtion

*T 3.2.2*

This is not the GKM function. It is the ADM function

*T 3.2.5*

# Chapter 3

## COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

This is not the GKM function. It is the ADM function

*T 3.2.10*

## 3.3 ELECTRICITY

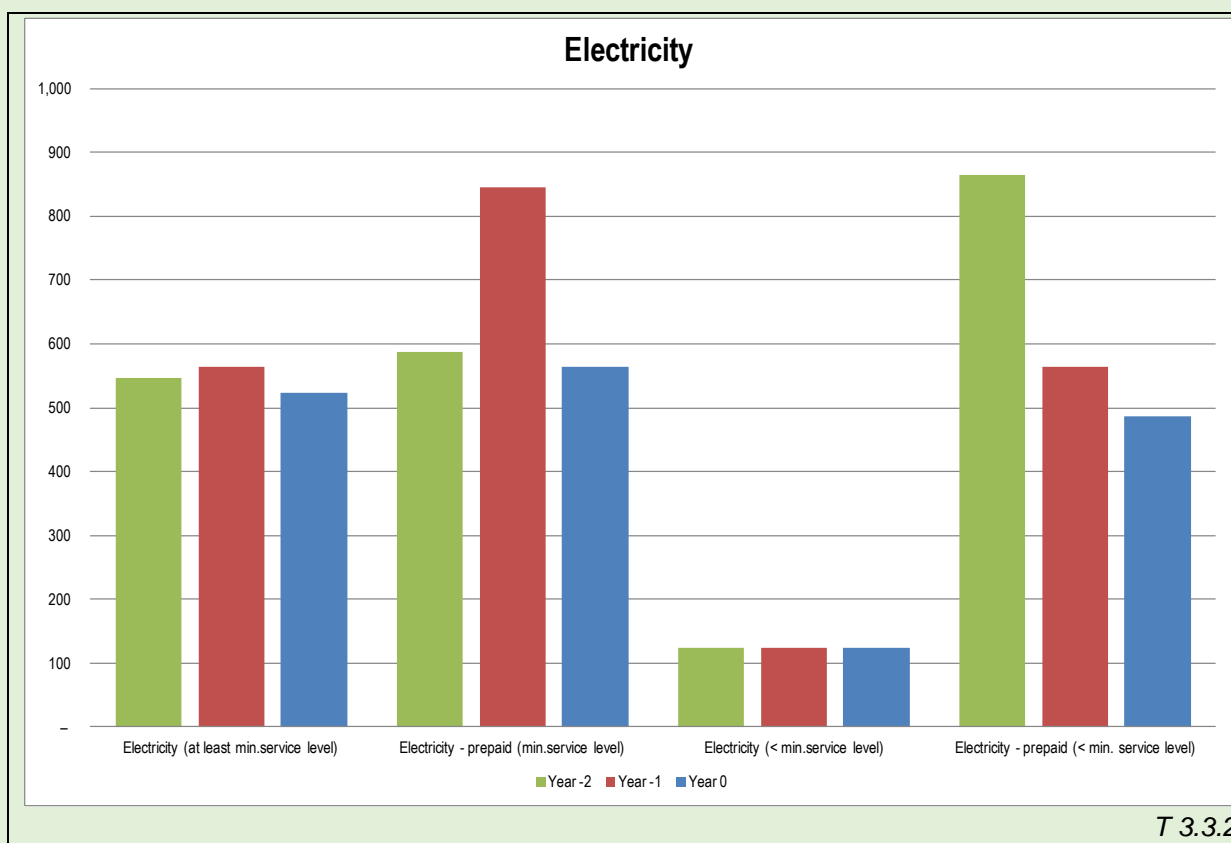
### INTRODUCTION TO ELECTRICITY

According to Statistics 2011, a total population of 80.2 % has access to electricity services; however there is still a need to reach universal access. Great Kei Municipality has got new residential establishment at planning stage which will require to be electrified. Some of these residential development fall within Eskom Area of supply in terms of NERSA distribution. Great Kei Municipality is therefore playing a facilitation role in terms applying for funding for areas still needing electricity but also with the intent of **re-proclaiming** these areas as part of its licensed distribution area. These areas include Chintsa Area 17 with a total of 429 planned housing units with **273 units** achieved as at end of 2017/18 financial year, Kei Mouth, Haga-Haga and Morgans Bay. This will enhance revenue collection of the Municipality. Eskom is currently electrifying the following areas in the 2017/18 financial year; Mzwini, Cefane and Khayelitsha.

The municipality also focused on the upgrade of Electrical infrastructure and bulk supply lines which have been fuded into phases. Upgrading of Qumrha Bulk Supply Lines Phase III was completed as at end June 2016. However this phase has not addressed the dire need of refurbishment in these areas due to limited funding and low revenue collection . In the MTREF starting from 16/17 financial DoE gazzetted R4million funding for Electrification of the Chintsa East Area 17 to provide basic electricity services in this area and this project has since been completed. The area 17 of Chintsa East a project which has since been completed is being handled and managed by Eskom for day-to-day operation and maintenance owing to capacity challenges within the municipality.

*T 3.3.1*

# Chapter 3



Electricity Service Delivery Levels				
Description	Year -3 - 2015	Year -2 - 2016	Year -1 - 2017	Households Year -0 - 2018
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
<b><u>Energy: (above minimum level)</u></b>				
Electricity (at least in-service level)	2,258	2,260	2,260	2260
Electricity - prepaid (in-service level)	2,141	2,141	2,141	2141
<b>Minimum Service Level and Above sub-total</b>	4	4	4	4
<b>Minimum Service Level and Above Percentage</b>	50.0%	50.0%	3.4%	3.4%
<b><u>Energy: (below minimum level)</u></b>				
Electricity (< in-service level)	2,258	2,260	123,544	123.544
Electricity - prepaid (< min. service level)	2,141	2,141	2,141	2.141
Other energy sources	–	–	–	
<b>Below Minimum Service Level sub-total</b>	4	4	126	126
<b>Below Minimum Service Level Percentage</b>	50.0%	50.0%	96.6%	97%
<b>Total number of households</b>	9	9	130	

T 3.3.3

# Chapter 3

Households - Electricity Service Delivery Levels below the minimum						
Description	Year -3	Year -2	Year -1	Households		
	Actual	Actual	Actual	Year 0		
	No.	No.	No.	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
<b>Formal Settlements</b>						
Total households	2,254	2,258	2,260	1,300,000	1,751,000	2,260
Households below minimum service level	50	50	50	50	50	50
Proportion of households below minimum service level	2%	2%	2%	0%	0%	2%
<b>Informal Settlements</b>						
Total households	2,254	2,258	2,260	1,300,000	1,751,000	2,260
Households below minimum service level	50	50	50	50	50	50
Proportion of households below minimum service level	2%	2%	2%	0%	0%	2%
					T 3.3.4	



# Chapter 3

Electricity Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	2017/18		
		Target	Actual	Target		Actual	Target		
	Key Performance Indicator	*Previous Year-2016/17	*Current Year-2016/17	*Previous Year-2016/17	*Current Year-2017/18	2017/18	*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
<b>Service Objective xxx</b>									
<b>Provide access of electricity to Great Kei Communities by 2022</b>	Number of reticulation projects completed at Chintz East area17 (Output)	Chintz East area 17 phase I Reticulation project completed	Achieved	Chintz East area 17 phase I Reticulation project completed	Chintz East area 17 phase II Reticulation project completed	Achieved			
	Number of reticulation projects completed (Output)	Electrical master plan developed and approved by council (Input)	Achieved	Electricity operations and maintenance plan developed and approved by Council	One (1) application submitted to DoE	Achieved			
									<i>T 3.3.5</i>

# Chapter 3

Employees: Electricity Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	2	0	0%
4 - 6	0	0	0	0	0%
7 - 9	1	2	1	1	50%
10 - 12	2	2	1	1	50%
13 - 15	0	0	0	0	0%
16 - 18	1	1	1	0	0%
19 - 20	1	1	1	0	0%
<b>Total</b>	<b>7</b>	<b>8</b>	<b>6</b>	<b>2</b>	<b>25%</b>

**T**  
**3.3.6**

Financial Performance Year 0: Electricity Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	10672	11574	11501	10660	-9%
Expenditure:					
Employees	10031	1232	1354	1074	-15%
Repairs and Maintenance	154	315	870	358	12%
Other	1115	10567	10094	25412	58%
<b>Total Operational Expenditure</b>	11300	12114	12318	26844	55%
<b>Net Operational Expenditure</b>	628	540	817	16184	97%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.3.7</i>

# Chapter 3

Capital Expenditure Year 0: Electricity Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	4000	4000	3330	-20%	
Project A - Electrification	4000	4000	3330	-20%	280
Project B	0	0	0	#DIV/0!	150
Project C	0	0	0	#DIV/0!	320
Project D	0	0	0	#DIV/0!	90
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
T 3.3.8					

## COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

According to Statistics 2011, a total population of 80.2 % has access to electricity services; however there is still a need to reach universal access. Great Kei Municipality has got new residential establishment at planning stage which will require to be electrified. Some of these residential development fall within Eskom Area of supply in terms of NERSA distribution. Great Kei Municipality is therefore playing a facilitation role in terms applying for funding of areas but also with intent of proclaiming these areas as part of its licensed distribution area. These areas include Chintsa Area 17 with a total of 429 planned housing units that has been completed in the 2017/18 FY, Kei Mouth, Haga-Haga and Morgans Bay. This will enhance revenue collection of the Municipality.

The municipality also focused on the upgrade of Electrical infrastructure and bulk supply lines which has been funded into phases. Upgrading of Komga Bulk Supply Lines Phase III was completed as at end June 2016. However this phase has not addressed the dire need of refurbishment in this areas due to limited funding. In the MTEF starting from 16/17 financial DoE has gazetted funding for Electrification of the Chintsa East Area 17 and Komga zone 10 to provide services in these areas. On completion of Electrifying Chintsa East Area 17, and this is area is currently managed by Eskom owing capacity challenges to area.

The Development Bank of Southern Africa (DBSA) offered the municipality the services of an Electrical Engineer for monitoring the implementation of projects. The municipality has entered into an agreement with DBSA on the services of the electrical engineer who also has a responsibility to mobilise resources to upgrade our electricity infrastructure.

T 3.3.9

# Chapter 3

## 3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

### INTRODUCTION TO WASTE MANAGEMENT

Solid Waste Management within Great Kei is characterised by a predominantly privately managed dump system upon individual sites (i.e. backyards) rural villages and farms. Urban centres and some villages receive a weekly local authority waste collection services.

There are only three refuse removal trucks i.e. one compactor refuse truck, open refuse truck (tipper truck Denis UD95 Nissan 8 tons) and Fuso Canter (tipper truck). The compactor was burnt during the year under review and still waiting for insurance processes and UD95 8 tons are almost five (5) years old with mechanical challenges.

Qumran landfill site is licensed towards closure and also two transfer stations are licensed.

The site in Qumran site is fenced off. The site is becoming a wet land area because of the old quarry cells that were dug to excavate the gravel.

Two (2) transfer stations are in Chintz and Kei Mouth.

The Kei Mouth transfer station is currently not operational owing to lack of resources and incapacity of the institution to run it. Waste from Kei Mouth, Morgan's Bay and Chintz is being collected and transported to Qumran landfill site. Transfer station at Chintz operates as a holding centre before waste is transported to Qumran landfill site. A process to revamp these transfer stations is underway as the municipality has entered into an agreement with DEDEA. The two transfer station shall help the municipality to sort recyclable materials and only non-recyclable material will be transported to Qumran.

#### **Level and standards in waste management services.**

Great Kei Municipality is rendering once a week refuse collection from businesses and urban settlements. Villages of Great Kei Municipality are not receiving refuse collection because of budgetary constraints. In areas where access by big refuse compactor truck is not possible a tractor or small bake is used to collect refuse in such areas.

#### **Major challenges in waste management services and remedial actions.**

Challenges in waste management include budgetary constraints and human resources. Because of financial constraints it is not possible to have machine working in our landfill site full time. The volumes of waste received at the landfill site are being reported on the South African Waste Information system. Only three (3) refuse trucks that are used to collect refuse and it becomes a challenge when one truck is in for repairs or service.

In order to address the above it is recommended that:

Additional refuse truck was to be purchased during the 2017/2018 financial Year but the financial health position of the municipality deterred this noble idea to occur.

Budget to improve on waste management programme.

T 3.4.1

# Chapter 3

Solid Waste Service Delivery Levels				
Description	Year -3	Year -2	Year -1	Households
	Actual	Actual	Actual	Year 0
	No.	No.	No.	Actual
<b><u>Solid Waste Removal:</u> (Minimum level)</b>				
Removed at least once a week	4	4	4	4
<b>Minimum Service Level and Above sub-total</b>	4	4	4	4
<b>Minimum Service Level and Above percentage</b>	100.0%	100.0%	100.0%	100.0%
<b><u>Solid Waste Removal:</u> (Below minimum level)</b>				
Removed less frequently than once a week				
Using communal refuse dump				
Using own refuse dump				
Other rubbish disposal				
No rubbish disposal				
<b>Below Minimum Service Level sub-total</b>				
<b>Below Minimum Service Level percentage</b>				
Total number of households	4	4	4	4
				T 3.4.2

Households - Solid Waste Service Delivery Levels below the minimum						
Description	Year -3	Year -2	Year -1	Households		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
<b>Formal Settlements</b>						
Total households	4	4	4	4	4	4
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	10%	10%	10%	9%	9%	9%
<b>Informal Settlements</b>						
Total households	0	0	0	0	0	0
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
						T 3.4.3

# Chapter 3

Waste Management Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1	2017/18	
		Target	Actual	Target		Actual	Target		
	Key Performance Indicator	*Previous Year-2016/17	2016/17	*Previous Year-2016/17	*Current Year-2017/18	2017/18	*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
To ensure improved solid waste management by June 2022	Number of clean-up and waste disposal campaigns conducted (Output)	Waste By-Laws reviewed and approved by council	Achieved	Waste By-Laws reviewed and approved by council	8 awareness campaigns	6 awareness campaigns			
	Number of reports on closure of landfill site (Input)	2 Progress reports on closure of landfill site	2 reports	2 Progress reports on closure of landfill site	4 progress reports on closure of landfill sites	Achieved			
									T 3.4.4

# Chapter 3

Employees: Solid Waste Services					
Job Level	Year 1 2016/17	Year 0 2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6					
7 - 9	4	4	4		0%
10 - 12	20	20	20		0%
13 - 15	3	3	3		0%
16 - 18	1	1	1		0%
19 - 20					
Total	28	28	28	0	0%

**T3.4.5**

Employees: Waste Disposal and Other Services					
Job Level	Year 1 2016/17	Year 0 2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	31	29	31	100%
4 - 6	3	4	4	4	100%
7 - 9	6	2	2	2	100%
10 - 12	7	5	5	5	100%
13 - 15	9	2	1	2	100%

**T3.4.6**

Employees: Waste Disposal and Other Services					
Job Level	Year -1-2016/17	Year 0-2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	31	29	31	100%
4 - 6	3	4	4	4	100%
7 - 9	6	2	2	2	100%
10 - 12	7	5	5	5	100%
13 - 15	9	2	1	2	100%

**T3.4.6**

# Chapter 3

Financial Performance Year 0: Solid Waste Management Services					
R'000					
Details	Year - 1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	9260	5656	9952	9886	43%
Expenditure:					
Employees	5515	6051	5840	5536	-9%
Repairs and Maintenance	184	1345	1045	663	-103%
Other	543	380	655	243	-56%
<b>Total Operational Expenditure</b>	6242	7776	7540	6442	-21%
<b>Net Operational Expenditure</b>	-3018	2120	-2412	-3444	162%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.4.7</i>

Financial Performance Year 0: Waste Disposal and Other Services					
R'000					
Details	Year - 1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	0	0	0	0	0
Expenditure:					
Employees	0	0	0	0	0
Repairs and Maintenance	0	0	0	0	0
Other	0	0	0	0	0
<b>Total Operational Expenditure</b>	0	0	0	0	0
<b>Net Operational Expenditure</b>	0	0	0	0	0
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.4.8</i>



# Chapter 3

Capital Expenditure Year 0: Waste Management Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	700	700	0	#DIV/0!	
Project A	700	700	0	#DIV/0!	280
Project B	0	0	0	#DIV/0!	150
Project C	0	0	0	#DIV/0!	320
Project D	0	0	0	#DIV/0!	90
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
T 3.4.9					

## COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

The Kei Mouth transfer station is currently not operational owing to lack of resources and incapacity of the institution to run it. Waste from Kei Mouth, Morgan's Bay and Chintsa is being collected and transported to Qumrha landfill site. Transfer station at Chintsa operates as a holding centre before waste is transported to Qumrha landfill site. A process to revamp these transfer stations is underway as the municipality has entered into an agreement with DEDEA. The two transfer station shall help the municipality to sort recyclable materials and only non-recyclable material will be transported to Qumrha.

### Level and standards in waste management services.

Great Kei Municipality is rendering once a week refuse collection from businesses and urban settlements. Villages of Great Kei Municipality are not receiving refuse collection because of budgetary constraints. In areas where access by big refuse compactor truck is not possible a tractor or small bakkie is used to collect refuse in such area.

T 3.4.10

# Chapter 3

## 3.5 HOUSING

### INTRODUCTION TO HOUSING

#### Human Settlements

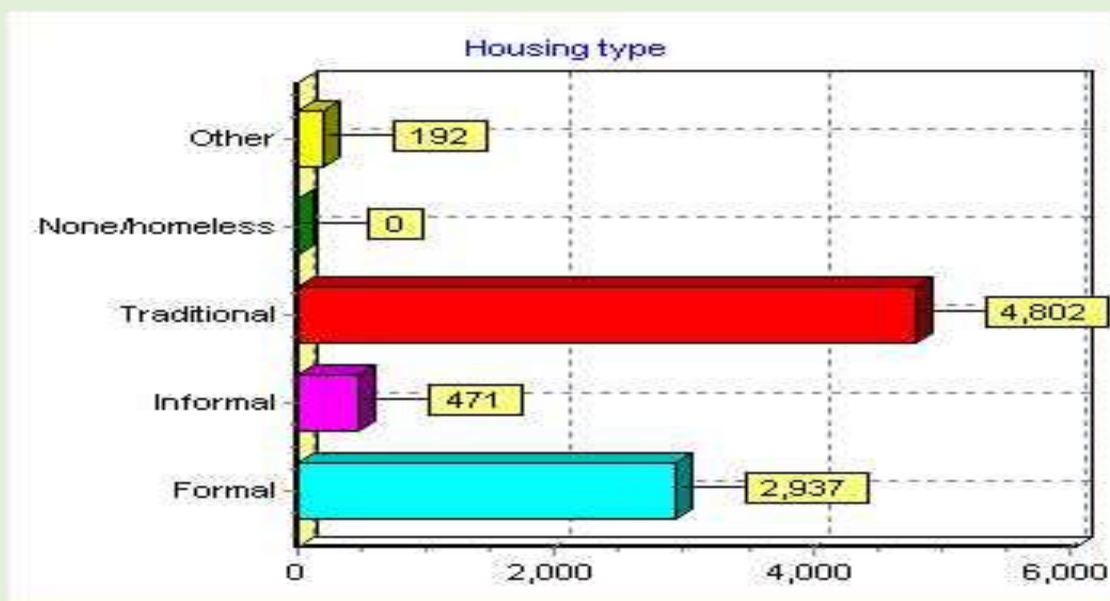
The Municipality has an existing Housing Sector Plan (2011-2016). The Department of Human Settlement appointed a Service Provider to review the Sector Plan in line with municipal IDP. The key focus areas of the review are as follows:

- Situational Analysis Review
- Feasibility Studies of all planned projects
- Development of the Draft Housing Sector Plan
- Presentation of the Housing Sector Plan to Stakeholders and Final Adoption.

The Great Kei Municipality has a diverse housing need relating to the fact that many families live in traditional dwellings in Mooiplaas and Kwelerha (see bar chart below). The coastal towns of Kei Mouth, Morgan's Bay, Haga, Marsh Strand, Crossways, Bulugha, Glen Muir and Chintsa East have a need to provide serviced sites and low cost housing for the workers who would like to live in these centres. There is also potential for development of holiday homes and tourism related accommodation. The Municipality applied to the provincial housing department (PDoHS) for the following projects: Qumrha Zone 10 Settlement 1140 units, Qumrha Phase (2) 400 units, Haga 300 units, Cefane/ Taiton 350 units and Chintsa East Area (17) 465 units.

**Figure: Housing Type**

Source Department of Housing & Local Government, 1997



**Table: Housing Type**

# Chapter 3

Traditional	Informal	Formal	Other
57%	6%	35%	2%

Most households live in traditional structures (57 percent) with 35 percent of households living in formal structures (refer to Table 14). The total housing need for low-income families at Qumrha was estimated by the Council at 3 000 houses with serviced sites. The settlements at Kwelera and Mooiplaas also required formalization of tenure and infrastructure. The municipality has to plan for the extension of services inclusive of housing for Chintsa East, Kei Mouth and Qumrha.

## **H (b) Formal Housing**

Private developers are involved in the provision of most formal housing within the urban areas; however people in the lower income groups were marginalized by this as they could not afford the types of housing being provided. This led to a high demand for rented accommodation, resulting in overcrowding and increased numbers of backyard dwellers. A high demand for serviced sites and housing thus existed.

The Provincial Housing Board subsidy projects have the opportunity of making inroads into the affordable and low cost housing need. However, under allocation of funding together with the slow rate of delivery placed a number of new housing projects on the waiting list had a negative impact on the project.

During the IDP/ Budget Review 2005/ 2006 an allocation of 6000 Units was identified and it was broken down into allocation by Wards as follows, 1000 Housing Units per Ward. Due to the problem with the existing housing projects a Directive from the Office of The MEC, Housing, that priority must be given to blocked, stopped, and incomplete projects.

Developments are that, the Icwili Phase I (255) housing project has been unblocked and therefore 84 houses will be built an additional 19 houses completed. With regard to Chintsa East housing project, bulk infrastructure is the problem and the Municipality was advised to talk to ADM for temporary provision of these services whilst waiting for the completion of Bulk Water Scheme project.

The Municipality forged relations with Afesis Corplan and the Provincial Department of Human Settlements. Afesis Corplan promoted a concept known as LAND - FIRST in an attempt to discourage expansion of shack - dwellers resulting from uncontrolled land invasions. The approach emphasizes the notion of being pro-active as government of the people by providing surveyed sites to all home seekers, provide basic servicers and guarantee the occupant to be the owner of that piece of land through certificate of ownership. The GKM identified Kei Mouth – Icwili as a pilot project. The municipality consulted the immediate community who agreed to the program/project. The municipality was awaiting approval from the office Surveyor General.

# Chapter 3

The Municipality and the Provincial Department of Human Settlement agreed to work together. The main purpose was for the Department to provide technical support to the municipality by developing business plans for capacity enhancement in performing the housing function including management of housing projects.

**Table 15: Current Housing Access  
Proposed Housing Needs**

GKM Rural Areas	6000
Morgan's Bay	200
Kei Mouth (Icwili)	250
Chintsa East	500
Qumrha Zone 10	1140
Qumrha Phase 1	96
Qumrha Phase 2	400
Haga-Haga	300
Cefani	250
Taiton	350
<b>TOTAL</b>	<b>9489</b>

## Informal Housing

The in-migration of people to urban centres is manifest in informal settlements developing in the periphery of towns and small centres. This led to an increase in the urban population density through further fragmentation of urban land for human settlements, including the establishment of backyard dwellers. The number of informal settlements was growing because existing accommodation could not meet the demand for housing. There was an increasing demand by the lower income groups for land and services for housing.

It was envisaged that the Reviewed Housing Sector Plan would address the following challenges identified:

- Screening of Beneficiaries
- Land Availability and Land Ownership
- Bulk Infrastructure
- Environmental Studies such as Geotechnical Surveys etc.

*T 3.5.1*

# Chapter 3

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
Year -3	11500	8965	78.0%
Year -2	11500	8965	78.0%
Year -1	11500	8965	78.0%
Year 0	11500	8965	78.0%
			T 3.5.2

# Chapter 3

Housing Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1	2017/18	
		Target	Actual	Target		Actual		Target	
	Key Performance Indicator	*Previous Year-2016/17	2016/17	*Previous Year-2016/17	*Current Year-2017/18	2017/18	*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
<b>Service Objective xxx</b>									
To Provide access to sustainable human settlements within the GKM Area by June 2022	Number of reports on the implementation of Housing Sector Plan (Input)	2 implementation reports	1 report	2 Implementation reports	Target removed in the year under review	N/A		xxxxxx	xxxxxx
	Number of beneficiaries submitted to dpt of Human Settlements for houses approval (Output)	800 beneficiaries approved	Approved list of 1140 beneficiaries	1140 beneficiaries approved	200 beneficiaries submitted to dpt of Human Settlements for houses approval	856 beneficiaries submitted to DHS			
									T3.5.3

# Chapter 3

Employees: Housing Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.5.4

# Chapter 3

Financial Performance Year 0: Housing Services					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
<b>Total Operational Expenditure</b>	195	732	750	744	2%
<b>Net Operational Expenditure</b>	75	607	650	649	6%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.5.5



# Chapter 3

Capital Expenditure Year 0: Housing Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.5.6

## COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

The Municipality and the Provincial Department of Human Settlement agreed to work together. The main purpose was for the Department to provide technical support to the municipality by developing business plans for capacity enhancement in performing the housing function including management of housing projects.

# Chapter 3

## Informal Housing

The in-migration of people to urban centres is manifest in informal settlements developing in the periphery of towns and small centres. This led to an increase in the urban population density through further fragmentation of urban land for human settlements, including the establishment of backyard dwellers. The number of informal settlements was growing because existing accommodation could not meet the demand for housing. There was an increasing demand by the lower income groups for land and services for housing.

It was envisaged that the Reviewed Housing Sector Plan would address the following challenges identified:

- Screening of Beneficiaries
- Land Availability and Land Ownership
- Bulk Infrastructure
- Environmental Studies such as Geotechnical Surveys etc.

T 3.5.7

## 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

### INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

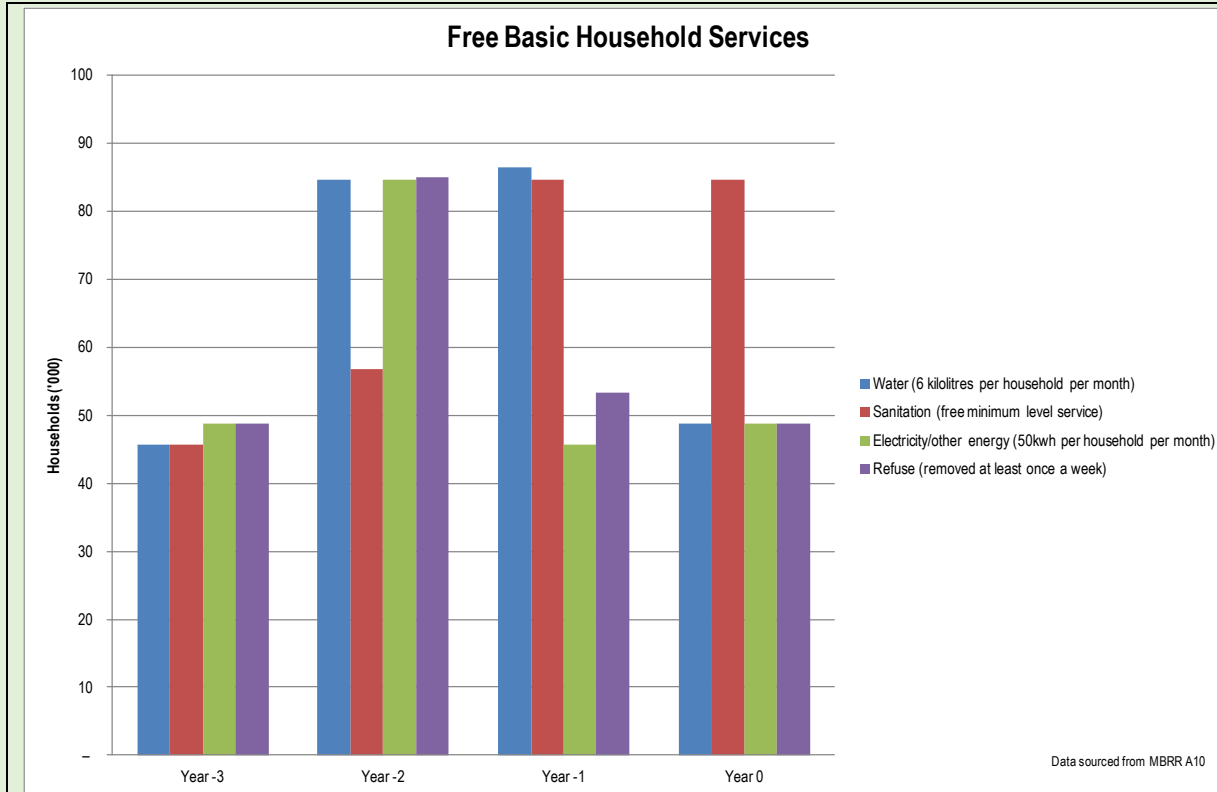
The municipality has an approved indigent policy that is reviewed annually and aligned with Eastern Cape Provincial Framework and other pieces of Legislation.

The objective of the policy is to ensure the following

- Provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council;
- The financial sustainability of free basic services through the determination of appropriate tariffs that contribute to such sustainability through cross subsidization;
- Establishment of a framework for the identification and management of indigent households including a socio-economic analysis where necessary and an exit strategy; The provision of procedures and guidelines for the subsidization of basic charges and the provision of free basic energy to indigent households; and Co-operative governance with other spheres of government

# Chapter 3

T 3.6.1



T 3.6.2

# Chapter 3

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R1,100 per month								
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse		
		Total	Access	%	Access	%	Access	%	Access	%
Year -2	100,000	18,000	12,000	67%	10,000	56%	13,000	72%	7,000	39%
Year -1	103,000	18,500	13,000	70%	11,000	59%	14,500	78%	8,000	43%
Year 0	105,000	19,000	15,000	79%	12,000	63%	16,100	85%	9,000	47%
T 3.6.3										

Financial Performance Year 0: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	Year -1	Year 0			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	200	244	250	248	2%
Waste Water (Sanitation)	220	240	250	245	2%
Electricity	100	120	130	135	11%
Waste Management (Solid Waste)	105	110	120	125	12%
Total	625	714	750	753	5%
T 3.6.4					

Free Basic Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1	2018/19	
		Target	Actual	Target		Actual	Target		
	Key Performance Indicator	*Previous Year- 2016/17	2016/17	*Previous Year- 2016/17	*Current Year- 2017/18	2017/18	*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									

# Chapter 3

To ensure availability , review and implementation of Indigent Policy and by June 2022	% of indigent beneficiaries receiving free basic services (Output)	Updated and approved Indigent Register	Indigent Policy and Indigent Register approved by council	100% Achieved	100%	58% Not Achieved	xxxx LIHs	xxxx LIHs	xxxx LIHs
									T 3.6.5

# Chapter 3

## COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

In support of the indigent community the municipality has an approved indigent policy. The municipality currently provides free basic electricity of 50 KW per household, refuse removal, 20 liters paraffin per household for alternative energy and various rebates on property rates.

T 3.6.6

## COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and storm water drainage.

## INTRODUCTION TO ROAD TRANSPORT

T 3.7

### 3.7 ROADS

## INTRODUCTION TO ROADS

The only funding source available for construction/upgrading of gravel and surfaced roads is the Municipal Infrastructure Grant. This funding only cover few kilometres owing to the construction of other services i.e. Sports-field, community halls and day care centres. The municipality utilises contractors for construction, consultants for design & internal project management unit to oversee the monitoring and implementation of all project. Four projects (two multi-purpose centres and two internal streets-Magrangxeni and Themba lethu Peace Village) were designed and some project managed in-house.

### Road maintenance services delivery strategy and main role-players (partnership with Roads & Public Works)

Great Kei Municipality has limited financial and plant resource for the road maintenance activities. This objective has been achieved by balancing of resources, activities and forecast planning. Sector departments have been engaged through service level agreements where the view of sharing resources has been developed to serve as support initiative to the municipality. The municipality has received an amount of R1 000 000 from the Department of Public Works towards implementation of EPWP projects within the municipality. The objective of this funding is to provide jobs for the unemployed youth, women & disabled. The fund also assist in poverty alleviation, maintenance of infrastructure in all sectors within the municipality i.e. Infrastructure Sector, Social Sector and Environmental Sector. On infrastructure sector the project for road maintenance is prioritised as it addresses challenges faced by maintenance unit on surfaced roads and non-surfaced. In terms of the adopted EPWP policy, which is reviewed annually, the Mayor/Speaker is the champion of the EPWP

# Chapter 3

and this means the Mayor/Speaker is the overseer of all operations within this fund allocation. The municipality facilitate the recruitment and employment of people from the wards to implement these roads activities (patch gravelling, pothole patching and cleaning drains). The Department of Roads and Public Works is responsible for maintenance of the Districts Roads.

## Major challenges in road maintenance services

Low revenue base of the municipality to set aside sufficient funding for maintenance of Roads

Most of Access Roads are in a bad state, they need maintenance

Shortage of plant and equipment

Road construction and improvement is considered as the prime infrastructural component to the municipality that would assist in bringing about improved access for tourism, health facilities and agricultural developments. Most roads leading to coastal areas which are regarded as tourist destination are usually surfaced.

The road network within the Great Kei Municipality consists of 730 kilometres of surfaced and unpaved road. Unpaved roads are defined as gravel roads as well as non-gravelled roads and tracks i.e. identified access or minor roads that have not been upgraded in any way. The responsibility for capital expenditure and maintenance rests with various authorities including the Great Kei Municipality.

The Table below schedules the various categories of road, the length of road and the authority responsible for capital expenditure and maintenance.

The Great Kei Municipality is thus directly responsible for 22 kilometres of surfaced and 487 kilometres of unpaved road.

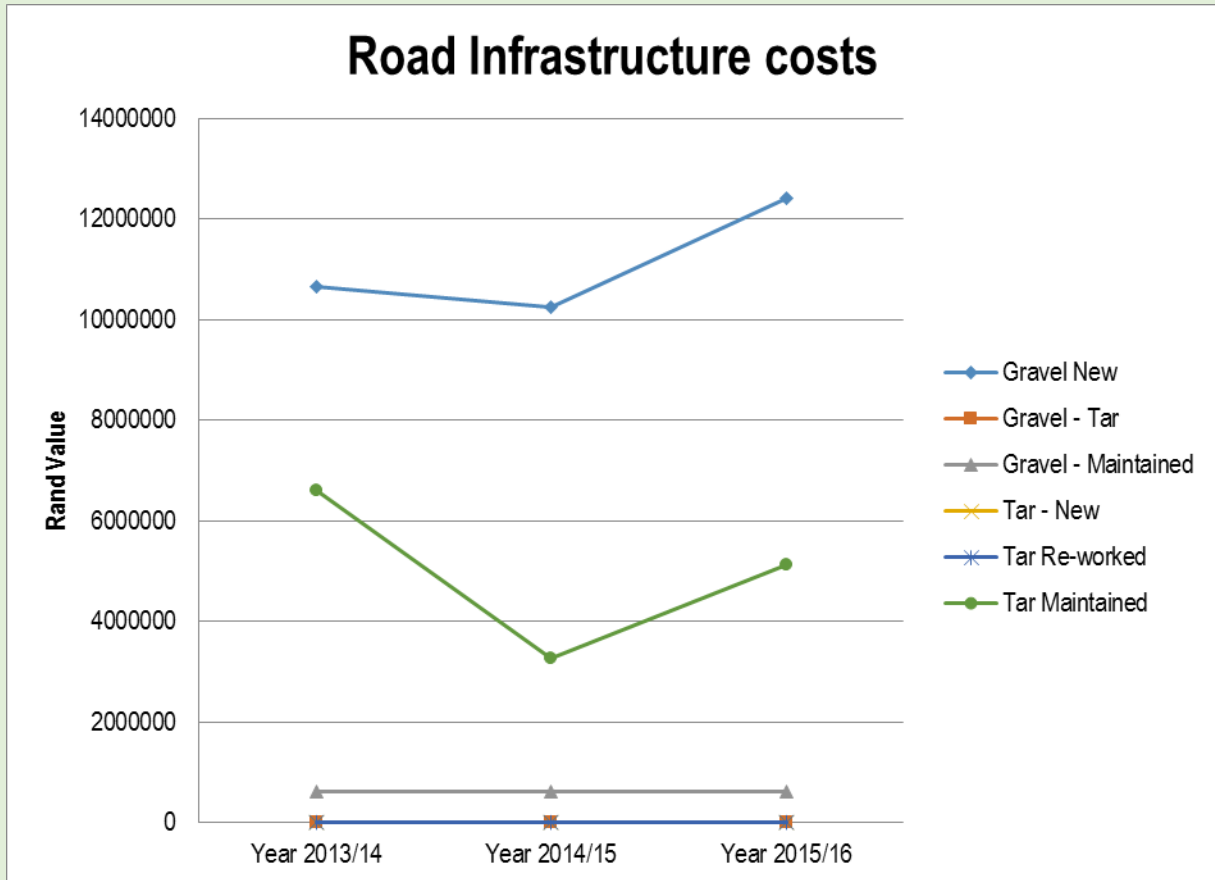
T 3.7.1

Gravel Road Infrastructure				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
Year -2	145	15	10	100
Year -1	160	20	12	120
Year 0	166	25	14	140
				T 3.7.2

Tarred Road Infrastructure					
					Kilometers
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
Year -2	85	10	23	18	100
Year -1	98	14	25	15	120
Year 0	114	20	30	25	140
					T 3.7.3

# Chapter 3

Cost of Construction/Maintenance							R' 000
	Gravel			Tar			
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained	
Year -2	450000	1700000	250000	1950000	1050000	400000	
Year -1	475000	1800000	260000	2020000	1220000	500000	
Year 0	490000	1900000	280000	2300000	1300000	550000	
						T 3.7.4	



T 3.7.5



# Chapter 3

Road Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	2017/18		
		Target	Actual	Target		Actual	Target		
	Key Performance Indicator	*Previous Year- 2016/17	2016/17	*Previous Year- 2016/17	*Current Year- 2017/18	2017/18	*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective									
To Ensure accessible roads within the Great Kei Local Municipal Area by 2022	Number of kms of gravel roads to be constructed through MIG (Outcome)	7 kms of gravel roads to be constructed at Bhola Village and Old Location	7 kms achieved	7 kms of gravel roads to be constructed at Bhola Village and Old Location	4.7km gravel road to be constructed	6.6 kms achieved			
	Number of kms of gravel roads to be maintained of gravel roads to be rehabilitated/ Re-graveled (Outcome)	2km gravel road to be maintained in 2016/17 FY	2km gravel roads	2km gravel road to be maintained in 2017/18 FY	6 kms of gravel roads to be constructed at Qumrha town	2.1 kms achieved			
									T 3.7.6

# Chapter 3

Employees: Road Services					
Task Grade	Year 2016/17	Year 2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	9	2	7	78%
4 - 6	0	3	1	2	67%
7 - 9	2	2	1	1	50%
10 - 12	3	0	0	0	0%
13 - 15	0	3	1	2	67%
16 - 18	2	2	2	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>9</b>	<b>19</b>	<b>7</b>	<b>12</b>	<b>63%</b>
<b>T3.7.7</b>					

Financial Performance Year 0: Road Services					
R'000					
Details	Year - 1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	13023	12634	12634	12632	0%
Expenditure:					
Employees	8957	9804	9574	9785	0%
Repairs and Maintenance	2051	557	670	557	0%
Other	39	1784	1355	1136	-57%
<b>Total Operational Expenditure</b>	11047	12145	11599	11478	-6%
<b>Net Operational Expenditure</b>	-1976	-489	-1035	-1154	58%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.7.8

Capital Expenditure Year 2017/18: Road Services	
R' 000	
Capital Projects	Year 2017/18

# Chapter 3

	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	10864250	10864250	9219880	-18%	10864250
Qumrha Elderly Multi Purpose Centre	2600000	2600000	2567931	-1%	0
Magrangxeni Internal Street	3644250	3644250	2653933	-37%	2600000
Great Kei Disability Multi-Purpose Centre	2600000	2600000	2253555	-15%	2600000
Tembaletu Peace Village Internal Street	2000000	2000000	1744461	-15%	2000000
Computer Equipment	20000	20000	0	0	20000
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					<i>T 3.7.9</i>

## COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

### Road construction

The only funding source available for construction/upgrading of gravel roads is the Municipal Infrastructure Grant. This funding only covers few kilometres owing to the construction of other services i.e. Sports-field, community halls and day care centres. The municipality utilises contractors for construction, consultants for design & project management unit for monitoring and implementation. Four (4) projects (two internal streets at Magrangxeni and Thembaletu Peace Village and two Multi-purpose centres Sotho and Qumrha) were designed and some partly project managed in-house.

### Road maintenance services delivery strategy and main role-players (partnership with Roads & Public Works)

GKM with the limited resources continue doing road maintenance but need some support from other Sector departments from government. Currently the municipality has been utilising one grader to maintain all municipal roads though consistent mechanical challenges hampered the objective. The municipality received an amount of R1 000 00 from the Department of Public Works. This funding is used for the maintenance of gravel and tar roads in the entire municipal area. The municipality employs people from the wards to maintain these roads (patch gravelling, pothole patching and cleaning drains). The Department of Roads and Public Works is responsible for maintenance of the Districts Roads.

# Chapter 3

## Major challenges in road maintenance services

Low revenue base of the municipality to set aside sufficient funding for maintenance of Roads Infrastructure

Most of Access Roads are in a bad state, they need reconstruction

Limited capital funding to consider other Village Internal roads, the only source of funding available is MIG.

Road construction and improvement is considered as the prime infrastructural component to the municipality that would assist in bringing about improved access for tourism, health facilities and agricultural developments.

The road network within the Great Kei Municipality consists of 729, 55 kilometres of surfaced and gravel road. Unpaved roads are defined as gravel roads as well as non-gravelled roads and tracks i.e. identified access or minor roads that have not been upgraded in any way. The responsibility for capital expenditure and maintenance rests with various authorities including the Great Kei Municipality.

The Table below schedules the various categories of road, the length of road and the authority responsible for capital expenditure and maintenance.

The Great Kei Municipality is thus directly responsible for 21, 30 kilometres of surfaced and 486, 18 kilometres of unpaved road.

T 3.7.10

## 3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

### INTRODUCTION TO TRANSPORT

**This is not GKM function.**

T 3.8.1

**This is not the GKM function.**

T 3.8.2.1

# Chapter 3

COMMENT ON THE PERFORMANCE OF TRANSPORT OVERALL:

*This is not the GKM function.*

T 3.8.7

## 3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

*The GKM performs function of roads services*

T 3.9.1

T 3.9.4

# Chapter 3

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

**The GKM performs the function of road services**

T3.9.9

## COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

### INTRODUCTION TO PLANNING AND DEVELOPMENT

The opportunities of GKM as outlined by the Great Kei Spatial Development Framework are:

There is potential for renewable energy through wind farming, this means that wind farming is a variable source of energy that continues to attract investment and infrastructure development. This kind of farming is expanding in the GKM area given that there is currently an expression of interest and application for the installation of similar project around Haga-haga area

Stock farming is still one of the major contributions to the municipality's GDP and skills development and emerging farmer support programmes need to be focused on in order to sustain and grow the industry.

The Municipality forms part of the wild coast meander tourism route along the coast and wildlife tourism in the north of the Municipality has great potential for growth and has been identified as a critical area for development by the Municipalities development perspective.

The course of urban development and urban growth in the last twenty years has been taking an increasingly green outlook in terms of how a town should look in its growth process hence the expansion of the main town urban agriculture has been proposed as a sustainable source of food and income for the municipality in close proximity to accommodation, facilities and other scale economies According to the Land Audit exercise that has been developed by the Municipality in 2017/18, key strategic areas have been identified for potential development and growth of the Municipality, these include areas owned by the Municipality and the Department of Public Works in Kei Mouth, areas owned by the Municipality and its District Municipality (ADM) in Haga Haga, and various other land parcels that are municipal owned in Qumrha.

These identified land parcels open up opportunities for Great Kei Municipality within the economic and socio -economics sectors.

The Land audit will therefore guide the Municipality in ensuring the efficient use of available resources in order to ensure that the municipality increases its financial capacity thus having a ripple effect throughout the institution.

T 3.10

# Chapter 3

## 3.10 PLANNING

### INTRODUCTION TO PLANNING

#### **Main Elements of Planning Strategies:**

The achievement achieved by Planning in year 0 are, employing permanent officials that will oversee all planning and building control within GKM.

The setting up of procedures that will ensure implementation and smooth processing of development applications.

The handing over of all development applications and building plans from the previous consultant to the relevant officials to ensure filling and processing of applications. The appointment of an Authorised Officer in terms of the Spatial Planning and Land Use Management Act 16 of 2013 will ensure that applications are processed speedily and in time.

The development of SPLUMA procedures are also to ensure efficiency and a speedy processing of development applications, this will also enhance the area of Great Kei Municipality in a planned and well-coordinated manner.

#### **The Challenges experienced are:**

Missing applications due to lack of steady officials in the Municipality, contributing to missing information. Shortage of Human Resources to ensure that the functions of the office are carried out within the desired turnaround time.

Backlog of applications still requires more human resources in order to be completed.

There are existing contraventions with regards to both building control and municipal planning and these are being dealt with by the relevant officials according to relevant pieces of legislations.

Those that had issues with contravention notices and have not responded, the issues were forwarded to the Municipalities legal team.

The 3 service delivery priorities with regards to planning and building control are:

Ensuring efficient land use management.

This has been insured though the employment of permanent human resource capacity to oversee land use management.

Adopting and implementing the Great Kei Municipalities Spatial Development Framework.

Implementation of the adopted Great Kei Municipality Spatial Development Framework

Ensuring sustainable development for the inhabitants of GKM.

Ensuring that development is encouraged to increase employment opportunities for the lives of those that live in GKM.

#### **Measures to ensure and improve performance.**

# Chapter 3

The divisional scorecard has been developed and implemented for reporting on year 0, and year 1s report is articulated above.

This is managed through monthly reports that are converted into quarterly reports into Annual Reports.

*T 3.10.1*

Applications for Land Use Development						
Detail	Formalization of Townships		Rezoning		Built Environment	
	Year 1 - 2016/17	Year 0- 2017/18	Year 1 - 2016/17	Year 0- 2017/18	Year 1 - 2016/17	Year 0- 2017/18
Planning application received	1	0	6	4	7	0
Determination made in year of receipt	1	0	4	0	2	0
Determination made in following year	0	0	2	4	0	0
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end	0	0	2	0	5	0
						<i>T 3.10.2</i>



# Chapter 3

Planning Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	2018/19		
		Target	Actual	Target	Actual		Target		
	Key Performance Indicator	*Previous Year-2016/17	2015/16	*Previous Year-2016/17	*Current Year-2017/18	2017/18	*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
To ensure that building regulations are adhered to by June 2022	100% approval of submitted building plans and land use applications within 3 months (Output)	100% approval of submitted plans within 3 months	Achieved	100% approval of submitted plans within 3 months	100% approval of submitted building plans and land use applications within 3 months	Achieved	100% approval of submitted plans within 3 months	100% approval of submitted building plans and land use applications within 3 months	Achieved
To ensure alignment of SDF with the IDP by June 2022 to ensure progressive Spatial Planning & Land Use Management Systems	Final Land Audit report completed and adopted by council (Input)	SDF reviewed and approved with compliance report by council	Not achieved	SDF reviewed and approved with compliance report by council	Final Land Audit report completed and adopted by council (Input)	Achieved	Final Land Audit report completed and adopted by council (Input)	Final Land Audit report completed and adopted by council (Input)	Not Achieved
									T 3.10.3

# Chapter 3

Employees: Planning Services					
Job Level	Year 2015/16	Year 2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
8	1	1	1	1	100%
11	0	1	0	1	0%
12	1	1	1	1	100%
14	1	1	1	1	100%
<b>Total</b>	4	4	4	4	100%
<b>T 3.10.4</b>					

Financial Performance Year 0: Planning Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	0	0	0	0	#DIV/0!
Expenditure:					
Employees	2239	4170	2627	1870	-123%
Repairs and Maintenance	0	0	0	0	#DIV/0!
Other	6282	2507	3915	5246	52%
<b>Total Operational Expenditure</b>	8521	6677	6542	7116	6%
<b>Net Operational Expenditure</b>	8521	6677	6542	7116	6%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<b>T 3.10.5</b>

Capital Expenditure Year 0: Planning Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	#DIV/0!	
Office Furniture	0	0	0	#DIV/0!	280
Computer Equipment	0	0	0	#DIV/0!	150
Project C	0	0	0	#DIV/0!	320
Project D	0	0	0	#DIV/0!	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					<b>T 3.10.6</b>

# Chapter 3

## COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

T 3.10.7

### 3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

The Great Kei Local Municipality agreed to position LED as its strategic development area and core development niche focussing on investment potential which would unleash tourism in the Coast in particular.

Having agreed to the above statement the Great Kei Municipality developed and adopted an LED Strategy in 2014, and currently is under review. The LED Strategy covers the following economic sectors that were identified:

The sectors which have been identified include:

- Tourism
- Government and Community Services
- Agriculture and Aquaculture
- Trade
- Mining
- Renewable Energy
- Co-operatives

#### 1.1 Tourism

The Great Kei Local Municipality is positioning itself as a popular tourist destination of choice. The main types of tourism undertaken includes adventure, nature based, sport and MICE. The heritage tourism is a niche market which has yet to be fully developed. Tourism products are highly concentrated along the coast with very few in the interior. Thus Heritage tourism offers an opportunity to develop the tourism and trade sector in the interior.

The area is marketed under the Wild Coast Jikaleza Route which represents product owners of Sunrise on Sea, Chefane, Chintsa and Kwelera. The Great Kei falls under the ECPTA's Wild Coast marketing destination.

#### 1.2 Agriculture

The agricultural sector in the local municipality is a prominent economic sector. The sector however is following the provincial trend and has been in a slight decline over the past few years. This has been attributed to a decline in production as a result of less commercial farming activity in the municipality. Many commercial farmers have sold or consolidated their farms. Farms sold in land reform processes have yet to achieve similar levels of productivity. The consolidation of farms has also resulted in a decline in employment in the sector.

# Chapter 3

The municipality has both commercial, communal and emerging farmers. There are approximately 78 farmers in the Great Kei of which 45 are emerging farmers. Farming activity has been reduced in the peri-urban areas due to stock theft and vandalism. The agriculture activity which takes place includes livestock farming, game farming, crop production, vegetable production and to a lesser extent poultry production. The livestock farming, which is the most dominant activity, is of beef, sheep and goat. The crop production is of maize which 12% includes green mealies, dry maize and fodder for commercial dairies.

The vegetable production takes place in homestead gardens in villages and small irrigation projects. This is usually on a subsistence level. There is no formal produce market. Farmers source their inputs from a co-op in Komga and other supplies in East London. The farm sizes vary from 50 ha to more than 1 000 ha, however the average size of a farm is between 200 ha and 500 ha. There are about 88 farms in total.

## 1.3 Trade

The trade sector in the Great Kei showed positive growth as from 2013 and continues to grow till todate. The sector is one of bigger employers within the local sphere, and has employed +-20% of the total labour force.

## 1.4 Mining

The mining sector in the Great Kei Municipality is relatively small. Mining activity is centred on granite mining which is being undertaken by Milo Granite (Pty) Ltd. The firm has identified a commercial mining opportunity for the exploitation of granite dimension stone 2 km outside of Qumrha, on the road past the Qumrha Industrial areas, on the farm Castleton. The business is involved with the mining of granite and the supply of the granite blocks to the national and international markets. An additional value add operation will be located in the Qumrha Industrial area. On average the annual turnover over a period of 5 years is expected to be R 25 million.

## 1.5 Renewable Energy

Renewable energy is generated from natural resources such as sunlight, wind, rain, tides and geothermal heat which are all renewable. One of the noteworthy advantages of renewable energy is its sustainable nature which means it will never be exhausted.

Various LED projects had been funded by Department of Environmental Affairs, Department of Rural Development and Agrarian Reform and Department of Social Development. The municipality has been involved with facilitating of funding for SMMEs and the co-ordinating of their training.

Future plans: To develop Tourism Sector Plan, Business retention and expansion strategy. The LED unit of the municipality which adhocly is staffed by one official at the moment has a huge responsibility for local economic development. Local economic development is viewed as core in turning around the revenue and current financial position of the municipality.

# Chapter 3

**Challenges:** The Great Kei Municipality is operating with limited professionals, managerial and technical capacity in terms of human resources. The role of LED as a cross cutting function need to be recognised further by all departments. The implementation of LED strategy is concentrated on strategic partners and the implementation of district wide and provincial and national programmes.

T 3.11.1

Economic Activity by Sector			
			R '000
Sector	2014/15/14	2015/16	2016/17
Agric, forestry and fishing	0	150 000	200 000
Mining and quarrying	0	0	0
Manufacturing	0	0	0
Wholesale and retail trade	0	0	0
Finance, property, etc.	0	0	0
Govt, community and social services	0	0	0
Infrastructure services	0	0	0
<b>Total</b>	0	150000	200 000
			T 3.11.2

Economic Activity by Sector			
Sector	2014/2015	2015/2016	2016/17
Agric, forestry and fishing	8%	6%	
Mining and quarrying	14%	17%	
Manufacturing	7%	8%	
Wholesale and retail trade	15%	15%	
Finance, property, etc.	17%	11%	
Govt, community and social services	18%	21%	
Infrastructure services	10%	9%	
<b>Total</b>	89%	96%	
			T 3.11.2

Economic Employment by Sector			
Sector	2015/2016	2016/2017	Jobs 2017/18
	No.	No.	No.
Agric, forestry and fishing	6%	6%	6%
Mining and quarrying	6%	6%	6%
Manufacturing	9%	9%	9%
Wholesale and retail trade	24%	24%	24%
Finance, property, etc.	21%	21%	21%
Govt, community and social services	18%	18%	18%

# Chapter 3

Infrastructure services	7%	7%	7%
Total	91%	91%	91%
			T 3.11.3

## COMMENT ON LOCAL JOB OPPORTUNITIES:

### ***Project Title: Tourism Master Plan for the Great Kei LM***

As one of the leading sectors in the economy, the tourism sector of Great Kei has no sector specific planning document. A tourism master plan is essential to improve the existing functioning of the sector and to address components that are integral to the efficient functioning of the tourism industry as a whole. Therefore, in addition to focusing on product development and transformation, the systems approach addresses components that are essential to the effective performance of the tourism

Sector as a whole namely:

- ☐ Marketing and branding
- ☐ Infrastructure development
- ☐ Human resource development
- ☐ Product development

### ***Project Title: Support and Training for Emerging Farmers***

Emerging farmers require support and training in order to become commercially viable. Emerging farmers in the municipality receive minimal support, which means that their life span in the sector is short lived. This support includes training, market access or facilitating commercial support or Department of Agriculture extension support.

### ***Project Title: Establish extent of mining industry and its opportunities in The municipality***

Granite mining offers a new economic prospect for the municipality, however the full extent of granite mining applications is unknown. This has a potential to reduce the levels poverty as numerous jobs would be created for local people. It shall as well contribute indirectly and directly to the municipal revenue.

### ***Project Title: Support to LTO***

Currently the Local Tourism Organisation (LTO) of the municipality, located in the Wild Coast Jikeleza Route, is privately funded by the members of the association. This organisation is currently marketing the municipality, and opportunities exist for it to extend its marketing. It however requires assistance from the Great Kei Local Municipality, in financial and institutional support for its activities.

### ***Project Title: Mentorship, training and support programme to emerging Black owned tourism operators.***

There is a shortage of black owned tourism operators in the Great Kei LM. As the number of co-operatives involved in tourism increase, there is hope that they will be in a position to formalise and develop into sustainable businesses. There is a need to mentor, train and support up and coming tourism operators. This project involves the development of a support programme for emerging tourism operators which could include aspects of the following, depending on the extent of the programme:

# Chapter 3

- Facilitate training workshops on tour guiding, business skills and first aid
- Assist with mentorship opportunities between national or local established operators
- Assistance with marketing through agreement with LTO for subsidised annual membership

## ***Project Title: Support and Training for Emerging Farmers***

Emerging farmers require support and training in order to become commercially viable. Emerging farmers in the municipality receive minimal support, which means that their life span in the sector is short lived. This support includes training, market access or facilitating commercial support or Department of Agriculture extension support. It is anticipated that this project might involve the Great Kei Municipality facilitating interventions by the Department of Agriculture.

## ***Project Title: Promotion of Business Chamber***

The promotion of organised business involves the establishment of a business chamber for the Municipal area or at least for one of the towns. This allows the ease of participation and gaining of inputs from the business group. They are then able to lobby for business issues on a single platform. Not only in terms of support and training but also its role to businesses. By promoting the chamber this should ensure more visibility and accessibility to business people.

## **Increased employment opportunities**

This goal recognises the need to increase the local employment opportunities in the Great Kei LM. Out-migration of the municipality's young and potential productive labour force is a negative trend for the area. Through the creation of employment and self-employment opportunities, the municipality can retain its most productive segment of its population and this will be essential in developing the Great Kei LM. The goal will be achieved through cross cutting measures which include:

Small business development, agriculture promotion, tourism and a conducive environment for business growth. The pillars and projects which are concerned with the two objectives are:

### **Tourism Development:**

- Mentorship, training and support programme to emerging black owned tourism operators
- Cultural village development

### **Institutional Support and Capacity Development:**

- Fill vacant key positions

### **Agriculture and Agri-processing Development:**

- Community aquaculture projects
- Develop niche products such as epi-culture
- Support and training for emerging farmers
- Provision of infrastructure for emerging and subsistence farmers

### **Enterprise Development Assistance:**

- Promotion of business chamber
- Support to existing co-operative

T 3.11.4

# Chapter 3

Jobs created during 2017/18 FY (excluding EPWP projects)				
Total jobs created/ top 3 initiatives	No. Jobs created	Jobs lost	Net jobs created in a year	Method of validating jobs created/ lost
2015/16	745	0	745	None
2016/17	659	0	659	None
2017/18	659	0	659	None
				<b>T 3.11.5</b>

Jobs created through EPWP projects		
Details	No. EPWP Projects	No. Jobs created through EPWP Projects
2015/16	5	255
2016/17	1	87
2017/18	1	87
		<b>T 3.11.6</b>



# Chapter 3

Local Economic Development Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1	2017/18	
		Target	Actual	Target		Actual	Target		
	Key Performance Indicator	*Previous Year-2016/17	2016/17	*Previous Year-2016/17	*Current Year-2017/18	2017/18	*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
To create opportunities for sustainable development within the GKM area by June 2022	LED Strategy reviewed and approved by council (Input)	LED Strategy reviewed and approved by council	Achieved	LED Strategy reviewed and approved by council	LED Strategy reviewed and approved by council	Not achieved			
	LED01: By identifying and twinning with municipality/s/ organizations with similar areas of cooperation	Signed MOU	Signed MOU	Signed Twining MOU	Signed Twining MOU	Achieved			
To create job opportunities through EPWP program by June 2022	Number of jobs created through municipality’s local economic development initiatives including capital projects (EPWP, CWP) (Output)	400 jobs created	100 Jobs created through EPWP programs and Projects	400 jobs created	500 Jobs created	205-EPWP, 94-MIG  550-CWP			
To promote the tourism potential of	Oceans Economy Business Plan developed and approved by	1 business plan developed for	Achieved	1 business plan developed for Ngxingxolo	1 business plan developed for Ngxingxolo Cultural Village	Achieved			

# Chapter 3

Local Economic Development Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1	2017/18	
		Target	Actual	Target		Actual	Target		
	Key Performance Indicator	*Previous Year-2016/17	2016/17	*Previous Year-2016/17	*Current Year-2017/18	2017/18	*Current Year	*Current Year	*Following Year
GKM by June 2022	Council (Input)	Ngxingxolo Cultural Village		Cultural Village					
To promote the agrarian economy in support of the disadvantaged communal farmers by June 2022	Lobby for support for the development of Agri-park (Input)	1 communal farmer supported on Maize ploughing programmer	Achieved	1 communal farmer supported on Maize ploughing program	1 communal farmer supported on Maize ploughing program	Achieved			
To create a conducive environment for SMME's and Co-operatives to access economic opportunities by June 2022	SMME Policy developed and approved by council (Input)	5 SMME's Funded by <u>Potential Funders</u> and 6 Capacity building	Achieved	5 SMME's Funded by <u>Potential Funders</u> and 6 Capacity building	4 SMME's Funded by <u>Potential Funders</u> and 6 Capacity building	Achieved			
	Partnership agreement developed and signed with DTI	New Target	New Target	New Target	Partnership agreement developed and signed with DTI	Achieved			
									T 3.11.7

# Chapter 3

## Employees: LED

Job level	Year-2016/17	Year-2017/18			
	Employee no	Vacancies	Employees no	Vacancies (fulltime)	Vacancies (as a % of total posts)
0-20	2	3	0	3	
					T 3.11.8

## Financial Performance Year 0: Local Economic Development Services

R'000

Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	23	0	0	875	100%
Expenditure:					
Employees	2897	5886	4959	3687	-60%
Repairs and Maintenance	0	0	0	0	#DIV/0!
Other	1022	1680	1600	817	-106%
<b>Total Operational Expenditure</b>	3919	7566	6559	4504	-68%
<b>Net Operational Expenditure</b>	3896	7566	6559	3629	-108%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.11.9

## Capital Expenditure Year 0: Economic Development Services

R' 000

Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	70	70	0	0%	
<b>Computer, Furniture &amp; Equipment</b>	70	70	0	0%	
	0	0	0	0%	
	0	0	0	0%	
	0	0	0	0%	

# Chapter 3

T 3.11.10

## COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

Refer to component K of the report.

T 3.11.11

## COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

### INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

The municipality through a variety of community and social programs responds to all the needs affecting our people within its jurisdiction. To that extent the municipality has developed and adopted the Special Programs Unit plan which seeks to regularise the mainstreaming of special grouping into all sectors existing and emerging within our space.

Furthermore the municipality has developed and adopted an indigent policy which also seeks to regularise the provision of services to indigent communities.

T 3.52

### 3.12 LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

#### INTRODUCTION TO LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

During 2017/18 financial year two multi-purpose centres (the elderly at Qumrha and for the disabled people at Sotho) were constructed. With respect to libraries the municipality continue to receive the subsidy from the Department of Sport, Recreation, Arts and Culture owing to the fact that this is a Provincial function in terms of Schedule 4, Part B of the Constitution of the Republic of South Africa. The municipality is performing this function on behalf of the Department and our partnership is regulated by an agreement. The funding provided by the department affords for operational costs for this function.

T3.12.1

# Chapter 3

**SERVICE STATISTICS FOR LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)**

*T 3.12.2*

# Chapter 3

Libraries; Archives; Museums; Galleries; Community Facilities; Other Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1	2017/18	
		Target	Actual	Target		Actual	Target		
	Key Performance Indicator	*Previous Year-2016/17	2016/17	*Previous Year-2016/17	*Current Year-2017/18	2017/18	*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
To ensure access to public amenities by 2022	Number of community Halls constructed at Bhola Village, Sithungu and Silatsha Community (Outcome)	Construction of 3 community halls and 2 day care centres	Achieved	Construction of 3 community halls and 2 day care centres	2 multi-purpose centers at Sotho and Qumrha (adult and disability centres	Achieved			
	Number of Day Care Centers constructed (output)	Construction of 1 day care centres	Not Achieved	Construction of 2 day care centres	4 public amenities to be maintained	Achieved			
									T 3.12.3

# Chapter 3

Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T 3.12.4					

Financial Performance Year 0: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
R'000					
Details	Year - 1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	616	808	808	724	-12%
Expenditure:					
Employees	1424	1815	1530	1297	-40%
Repairs and Maintenance	0	0	0	0	#DIV/0!
Other	962	713	1063	118	-504%
Total Operational Expenditure	2386	2528	2593	1415	-79%
Net Operational Expenditure	1770	1720	1785	691	-149%

# Chapter 3

<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>	<i>T 3.12.5</i>
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# Chapter 3

**T.3.12.4 N/A**

**T.3.12.5 N/A**

**T 3.12.7- Refer to Chapter 4-5**

**COMMENT ON THE PERFORMANCE OF LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC) OVERALL:**

Refer to component K of the report.

T 3.12.7

## 3.13 CEMETORIES AND CREMATORIALS

### INTRODUCTION TO CEMETERIES & CREMATORIALS

Refer to component K of the report.

T 3.13.1

### SERVICE STATISTICS FOR CEMETERIES & CREMATORIALS

T 3.13.2

#### Cemeteries and Crematoriums Policy Objectives Taken From IDP

Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	2017/18
		Target	Actual	Target	Actual	Target	

# Chapter 3

	Key Performance Indicator	*Previous Year- 2016/17	2015/16	*Previous Year- 2016/17	*Current Year- 2017/18	2017/18	*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
<b>Service Objective xxx</b>									
<b>To improve management of cemeteries by June 2022</b>	Number of reports on Implementation of Cemetery Management Plan (Input)	Final draft integrated cemetery management plan approved by council	Achieved	Final draft integrated cemetery management plan approved by council	4 reports on Implementation of Cemetery Management Plan	Not Achieved			
									T 3.13.3

# Chapter 3

Employees: Cemeteries and Crematoriums					
Job Level/Task grade	Year - 2016/17	Year 2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
10 - 12	2	2	2	2	100%
13 - 15		1	1	1	100%
T 3.13.4					

Financial Performance Year 0: Cemeteries and Crematoriums					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	2455	2	3	2	0%
Expenditure:					
Employees	458	466	466	253	-84%
Repairs and Maintenance	0	0	0	0	0%
Other	28	53	53	0	0%
Total Operational Expenditure	486	519	519	253	-105%
Net Operational Expenditure	-1969	517	516	251	-106%
T 3.13.5					

Capital Expenditure Year 0: Cemeteries and Crematoriums					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	250	250	55	-355%	
Fencing of cemeteries	250	250	55	-355%	280
Project B	0	0	0	0%	150
Project C	0	0	0	0%	320
Project D	0	0	0	0%	90
T 3.13.6					

# Chapter 3

## COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIIUMS OVERALL:

Refer to component K of the report.

T 3.13.7

### 3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

#### INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Refer to component K of the report.

T 3.14.1

#### SERVICE STATISTICS FOR CHILD CARE

*This is not the GKM function.*

T 3.14.2

# Chapter 3

## Financial Performance Year 0: Child Care; Aged Care; Social Programs

R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	39	56	50	41	-37%
Expenditure:					
Employees	0	0	0	0	0%
Repairs and Maintenance : Old Age Home	22	100	100	12	-733%
Other	0	0	0	0	0%
Total Operational Expenditure	22	100	100	12	-733%
Net Operational Expenditure	-17	44	50	-29	252%
					T 3.14.5

## Capital Expenditure Year 0: Child Care; Aged Care; Social Programs

R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
Project A	0	0	0	0%	0
Project B	0	0	0	0%	0
Project C	0	0	0	0%	0
Project D	0	0	0	0%	0
					T 3.14.6

# Chapter 3

## **COMMENT ON THE PERFORMANCE OF CHILD CARE; AGED CARE; SOCIAL PROGRAMMES OVERALL:**

Refer to component K of the report.

*T 3.14.7*

## **COMPONENT E: ENVIRONMENTAL PROTECTION**

This component includes: pollution control; biodiversity and landscape; and coastal protection.

### **INTRODUCTION TO ENVIRONMENTAL PROTECTION**

Environmental protection is performed by public amenities section under community service department.

*T 3.14*

## **3.15 POLLUTION CONTROL**

### **INTRODUCTION TO POLLUTION CONTROL**

The municipality is utilising the ADM's air pollution policy as our municipality falls under its jurisdiction

*T 3.15.1*

### **SERVICE STATISTICS FOR POLLUTION CONTROL**

*Only the ADM statistics may reveal district pollution control that exists*

*T 3.15.2*

# Chapter 3

## COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL OVERALL:

The ADM may be the only institution able to provide performance of pollution control as this is currently performed at this level owing to capacity

T 3.15.7

## 3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

### INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

*The municipality through its public amenities plan maintains all its public spaces and a unit that focuses on grass cutting, beautification and cleaning.*

T 3.16.1

### SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE

*On a weekly basis the unit do grass cutting and beautify and do landscaping on identified areas*

T 3.16.2

# Chapter 3

Employees: Bio-Diversity (Working for water and Working on Wetlands)					
Job Level/ Task grade	Year-2016/17	Year- 2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
10 - 12	1	1	1	1	100%
13 - 15		1	11	1	100%
					<b>T 3.16.4</b>

## COMMENT ON THE PERFORMANCE OF BIO-DIVERSITY; LANDSCAPE AND OTHER OVERALL:

*This is not the GKM function.*

T 3.16.7

## COMPONENT F: HEALTH

This component includes: clinics; ambulance services; and health inspections.

### INTRODUCTION TO HEALTH

*This is not municipal mandate it resides with Department of Health.*

T 3.17



# Chapter 3

## 3.17 CLINICS

### INTRODUCTION TO CLINICS

*This is not the GKM function.*

T 3.17.1

Concerning T 3.17.2

*This is not the GKM function.*

T 3.17.2.1

# Chapter 3

COMMENT ON THE PERFORMANCE OF CLINICS OVERALL:

**This is not the GKM function.**

T 3.17.7

## 3.18 AMBULANCE SERVICES

### INTRODUCTION TO AMBULANCE SERVICES

**This is not the GKM function.**

T 3.18.1

Concerning T 3.18.2

**This is not the GKM function.**

T 3.18.2.1

# Chapter 3

## COMMENT ON THE PERFORMANCE OF AMBULANCE SERVICES OVERALL:

*This is not the GKM function.*

T 3.18.7

3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION;  
ETC

## INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABATTOIR LICENCING AND INSPECTIONS, ETC

*This is not the GKM function.*

T 3.19.1

## SERVICE STATISTICS FOR HEALTH INSPECTION, etc.

*This is not the GKM function.*

T 3.19.2

# Chapter 3

## COMPONENT G: SECURITY AND SAFETY

This component includes: police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

### INTRODUCTION TO SECURITY & SAFETY

The Safety and Security section consists of Traffic Services and Security Services which were located in the Budget and Treasury Office in the previous financial year but have since been moved to Community Services as it belonged to in terms of institutional organogram. Traffic department offers the following services: motor vehicle registrations and licensing, driving licence testing, learners license testing, traffic law enforcement. Traffic Services is currently operating with four traffic officers and three cashiers. The traffic services is short staffed and in need for additional traffic officers for its operations to run smoothly without the intervention of the Department of transport. Security services is running with eleven (11) permanent securities 1 senior security. The main function of this section is to safeguard the assets on the municipality and the demand is increasing due to the increasing crime rate and shortage of security equipment.

T 3.20

### 3.20 POLICE

#### INTRODUCTION TO POLICE

*This is not the GKM function.*

T 3.20.1

*This is not the GKM function.*

T 3.20.2.1

# Chapter 3

## COMMENT ON THE PERFORMANCE OF POLICE OVERALL:

*This is not the GKM function.*

T 3.20.7

### 3.21 FIRE

## INTRODUCTION TO FIRE SERVICES

*This is not the GKM function as it devolved to District Municipality*

T 3.21.1

Concerning T3.21.2

*This is not the GKM function.*

T 3.21.2.1

# Chapter 3

## COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL:

*This is not the GKM function.*

T 3.21.7

## 3.22 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

### INTRODUCTION TO DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

The municipality has developed public nuisance by-law which still need to be promulgated. Public hearings were conducted , the municipality is busy soliciting funding for the promulgation of the by-laws.

T 3.22.1

N/A

T 3.22.2

# Chapter 3

## COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL OF PUBLIC NUISANCES, ETC OVERALL:

This function has not been performed yet owing to promulgation of the by-law

T 3.22.7

## COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

### INTRODUCTION TO SPORT AND RECREATION

*This is not the GKM function.*

T 3.23

### 3.23 SPORT AND RECREATION

*This is not the GKM function.*

T 3.23.1

# Chapter 3

## COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

*This is not the GKM function.*

T 3.23.6

## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

### INTRODUCTION TO CORPORATE POLICY OFFICES, etc.

Great Kei Municipality administration comprises of four (4) Directorates, that being Technical and Community Services, Budget and Treasury Office, Strategic Services and Corporate Services Department. The Corporate Services Department being responsible for support services which include the Human Resources function with all its responsibilities and Administration & Council Support.

T 3.24

## 3.24 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councilors; and municipal manager).

### INTRODUCTION TO EXECUTIVE AND COUNCIL

Refer to Component K of the report T

3.24.1

### SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

T 3.69.2



# Chapter 3

The Executive and Council Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1	2017/18	
		Target	Actual	Target		Actual	Target		
	Key Performance Indicator	*Previous Year-2016/17	2016/17	*Previous Year-2016/17	*Current Year-2017/18	2017/18	*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
To ensure effective functioning of Council and its committees by June 2022	Number of Council and standing committee meetings set in line with 2015/16 council calendar (Output)	4 Ordinary Council meetings. 20 Standing Committee meetings	8 Ordinary & 3 Special Council meetings . 30 Standing Committees	4 Ordinary Council meetings. 20 Standing Committee meetings	4 Ordinary Council meetings. 20 Standing Committee held	4 Ordinary & 4 Special Council meetings 20 Standing Committees			
To ensure effective functioning of Oversight Committees by June 2022	MPAC meetings held before the sitting of Council (Output)	4 meetings	14 Meetings	4 meetings	4 MPAC	16 MPAC meetings held			
									T 3.24.3

# Chapter 3

Employees: The Executive and Council					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T 3.24.4</p>					

# Chapter 3

Financial Performance Year 0: The Executive and Council					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	104	0	65	331	100%
Expenditure:					
Employees	6093	6543	6685	6690	2%
Repairs and Maintenance	0	50	50	4	-1150%
Other	1329	1463	1317	1051	-39%
<b>Total Operational Expenditure</b>	7422	8056	8052	7745	-4%
<b>Net Operational Expenditure</b>	7318	8056	7987	7414	-9%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.24.5</i>

# Chapter 3

Capital Expenditure Year 0: The Executive and Council					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	#DIV/0!	
Computer Equipment	0	0	0	#DIV/0!	0
Office Furniture	0	0	0	#DIV/0!	0
	0	0	0	#DIV/0!	0
	0	0	0	#DIV/0!	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
T 3.24.6					

# Chapter 3

Employees: The Executive and Council					
Job Level	Year 2017/18	Year 2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
7 - 9	6	6	6	0	0%
10 - 12	2	2	2	0	0%
Total	8	8	8	0	0%

# Chapter 3

Debt Recovery							
R' 000							
Details of the types of account raised and recovered	Year -1		Year 0			Year 1	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates	12 000	30%	19 965 255	16 270 310	81%	17 246 528.60	81%
Electricity - B							
Electricity - C	3 821	33%	2 798 873	2 041 879	71%	2 164 391.74	71%
Water - B							
Water - C							
Sanitation							
Refuse	12 000	10%	4 317 157	2 557 841	51%	2 711 311.46	51%
Other							
B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them.							T 3.25.2

# Chapter 3

Financial Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1	2018/19	
		Target	Actual	Target		Actual	Target		
	Key Performance Indicator	*Previous Year-2016/17	2016/17	*Previous Year-2016/17	*Current Year-2017/18	2017/18	*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
To ensure proper management of GKM assets by 2022	Asset policy and updated asset register approved by council (Input)	Asset policy and updated asset register approved by council.	Achieved	Asset policy and updated asset register approved by council.	Asset policy and updated asset register approved by council.	Achieved			
To ensure adherence to Supply Chain Management Regulations by June 2022.	SCM policy reviewed and approved by council (Input)	SCM policy reviewed and approved by council	Achieved	SCM policy reviewed and approved by council	SCM policy reviewed and approved by council	Achieved			
	Suppliers Day held (Output)	1 Suppliers day held	Achieved	1 Suppliers day held	1 Suppliers day held	Achieved			
	% of tenders concluded in accordance with (tender validity timeframe) (Output)	100%	100% Achieved	100%	100%	100% Achieved			
To have effective and efficient expenditure management processes and	% of MIG Funding expenditure (Output)	100%	100% Achieved	100%	100%	97% Achieved			
	Irregular, Fruitless and	0%	0%	0%	0%	0%			

# Chapter 3

Financial Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1	2018/19	
		Target	Actual	Target		Actual	Target		
	Key Performance Indicator	*Previous Year-2016/17	2016/17	*Previous Year-2016/17	*Current Year-2017/18	2017/18	*Current Year	*Current Year	*Following Year
systems by 2022	Wasteful and Unauthorized Expenditure report (Input)								
	Creditors payment period (Output)	30 days	24% of creditors paid within 30 days	30 days	30 days	11.4% of creditors were paid within 30 days			
To strengthen reporting mechanisms in line with Municipal Finance Management Act and Treasury Regulations by June 2022	Compliance reports submitted as per MFMA (Input)	Submission of compliance reports within specified time frame	Achieved	Submission of compliance reports within specified time frame	Submission of compliance reports within specified time frame	Achieved			
	Number of Municipal standard charts of accounts compliance repots to Council (Input)	New indicator	New indicator	New indicator	4 mSCOA compliance reports	Achieved			
To adhere to all budget regulations and budget reforms by June 2022	Annual approved budget by council for 2017/18	Annual approved budget by council for 2016/17	Achieved	Annual approved budget by council for 2016/17	Annual approved budget by council for 2017/18	Achieved			



# Chapter 3

Financial Service Policy Objectives Taken From IDP

Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	2018/19		
		Target	Actual	Target		Actual	Target		
	Key Performance Indicator	*Previous Year-2016/17	2016/17	*Previous Year-2016/17	*Current Year-2017/18	2017/18	*Current Year	*Current Year	*Following Year
To ensure that the municipality has effective revenue collection system consistent with Section 95 of the MSA and municipality's credit and debt control policy (Section 64 MFMA) by 2022.	% increase in actual revenue collection (Output)	Increase of revenue collection by 5%	77%	Increase of revenue collection by 5%	8% increase	65% collection			
To ensure availability , review and implementation of Indigent Policy and by June 2022	% of indigent beneficiaries receiving free basic services (Output)	Indigent Policy and Indigent Register approved by council	Achieved	Indigent Policy and Indigent Register approved by council	100%	100% achieved			
To ensure improvement of audit outcomes by 2022.	Improvement in Audit Opinion (Outcome)	Improvement in Audit opinion (Unqualified)	2014/15Qualified Audit Opinion	Improvement in Audit opinion (Unqualified)	Improvement in Audit opinion (Unqualified)	Unqualified			

# Chapter 3

Financial Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1	2018/19	
		Target	Actual	Target		Actual	Target		
	Key Performance Indicator	*Previous Year-2016/17	2016/17	*Previous Year-2016/17	*Current Year-2017/18	2017/18	*Current Year	*Current Year	*Following Year
To ensure management of organizational and mitigation of risks by June 2022	% implementation of action plan to mitigate identified risks (Output)	100% of identified risks mitigated	100% Achieved	100% of identified risks mitigated	100% of identified risks mitigated	Achieved			
To enhance the enforcement of National Road Traffic Act 93 of 1996 and by-laws by 2022	Number of Motor Vehicle registrations, bookings and renewals of drivers licenses (Output)	1.900 learners' license and 900 driver's license. 3. 120 drivers renewal	1. Learners license-1084 and Driver's license-1666 Drivers renewals-339	1.900 learners' license and 900 driver's license. 3. 120 drivers renewal	1.900 learners' license 2. 900 driver's license. 3. 120 drivers renewal 4. 180 fines issued	1. Learners' license-1212 2. Driver's license-2444 3. Drivers renewal-959 4. Fines issued- 181			
									T 3.25.3

# Chapter 3

Financial Performance Year 0: Financial Services					
R'000					
Details	Year - 1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	73046	91694	82926	71309	-29%
Expenditure:					
Employees	13814	16070	15355	14699	-9%
Repairs and Maintenance	260	50	20	40	-25%
Other	76367	35781	35393	32497	-10%
<b>Total Operational Expenditure</b>	90441	51901	50768	47236	-10%
<b>Net Operational Expenditure</b>	17395	-39793	-32158	-24073	-65%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
T 3.25.5					

Capital Expenditure Year 0: Financial Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1350	750	168	-704%	
Computer Equipment	0	60	0	0%	0
IT Related Services	1350	690	168	0%	0
Office Furniture	0	0	0	0%	0
Project D	0	0	0	0%	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					
T 3.25.6					

# Chapter 3

Employees: Financial Services					
Job Level	Year 2017/18	Year 2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
7 - 9	13	14	13	0	0%
10 - 12	7	9	7	0	0%
13 - 15	9	15	9	0	0%
16 - 18	5	7	5	0	0%
Total	34	45	34	0	0%

## COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

Refer to Component K of the report

*T 3.25.7*

## 3.26 HUMAN RESOURCE SERVICES

### INTRODUCTION TO HUMAN RESOURCE SERVICES

According to the 2015/16 organogram the municipality has managed to fill 95% of vacant funded positions which includes middle management and specialists in various fields. That is evident in the audit opinion achieved by the municipality (unqualified).

*T 3.26.1*

### SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

*T 3.26.2*

# Chapter 3

Human Resource Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1	2018/19	
		Target	Actual	Target		Actual	Target		
	Key Performance Indicator	*Previous Year- 2016/17	2016/17	*Previous Year- 2016/17	*Current Year- 2017/18	2017/18	*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
To ensure compliance with the Employment Equity Act by June 2022	% of Employment equity Plan target implemented (Output)	20% of Employment equity Plan target implemented	41%	20% of Employment equity Plan target implemented	15 % of Employment equity Plan target implemented	27%			
To ensure proper coordination of payroll information by June 2022	Number of compliance reports on payroll errors reduced (Input)	4 Reports	Achieved	4 Reports	4 Reports	Achieved			
To ensure Proper Leave Management by June 2022	Number of compliance on Pay-Day Leave System Reports (Input)	4 Reports	Achieved	4 Reports	4 reports on accurate leave records	Achieved			
To ensure review of municipality’s organizational Structure and	2017/18 Organization structure reviewed and approved by council (Input)	2016/17 Organization structure reviewed and approved by council	Achieved	2016/17 Organization structure reviewed and approved by council	2017/18 Organization structure reviewed and approved by council	Achieved			

# Chapter 3

Human Resource Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1	2018/19	
		Target	Actual	Target		Actual	Target		
	Key Performance Indicator	*Previous Year- 2016/17	2016/17	*Previous Year- 2016/17	*Current Year- 2017/18	2017/18	*Current Year	*Current Year	*Following Year
ensure alignment with the IDP Strategies, Objectives and available resources by June 2022.	The average length of time it takes to fill a post (Output)	Recruitment Plan approved by Council	Achieved	Recruitment Plan approved by Council	3 months for positions below S54 and S56	Achieved			
To ensure the development, review, Implementation and monitoring of WSP for Municipal Staff and Councilors by June 2022.	Workplace Skills Plan reviewed and approved by council (Input)	Workplace Skills Plan developed and adopted	Achieved	Workplace Skills Plan developed and adopted	Workplace Skills Plan reviewed and approved by council	Achieved			
To contribute in enhancing capacity of oversight structures of the municipality (MPAC, AC) by June 2022	% of staff actually trained as per the WSP (Output)	50%	76%	50%	100%	68%			
	Number of trainings on Oversight members (Output)	2 trainings	Achieved	2 trainings	3 trainings	2 trainings			
To ensure compliance with applicable	Number of Municipal Policies	Number of Policies reviewed	Achieved	Number of policies reviewed	All municipal policies reviewed and	Achieved			

# Chapter 3

Human Resource Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	2018/19		
		Target	Actual	Target		Actual	Target		
	Key Performance Indicator	*Previous Year- 2016/17	2016/17	*Previous Year- 2016/17	*Current Year- 2017/18	2017/18	*Current Year	*Current Year	*Following Year
legislation, regulations, policies and procedures by June 2022	reviewed and approved by council (Input)	and adopted.		and adopted	approved by council				
									T 3.25.3

# Chapter 3

Employees: Human Resource Services					
Job Level	2017/18 Employees	Posts	2016/17 Employees	Vacancies (fulltime Equivalents)	Vacancies (as a % of Total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'Senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.26.4

Financial Performance Year 0: Human Resource Services						R'000
Details	Year - 1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	72	100	100	12	-733%	
Expenditure:						
Employees	7664	7987	7707	6135	-30%	
Repairs and Maintenance	0	0	0	0	0%	
Other	6925	4080	7065	4737	14%	
Total Operational Expenditure	14589	12067	14772	10872	-11%	
Net Operational Expenditure	14517	11967	14672	10860	-10%	
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						T 3.26.5



# Chapter 3

Capital Expenditure Year 0: Human Resource Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	#DIV/0!	
Project A - Office Furniture	0	0	0	#DIV/0!	0
Project B - Equipment	0	0	0	#DIV/0!	0
	0	0	0	#DIV/0!	0
	0	0	0	#DIV/0!	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
T 3.26.6					

## COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

For the past 5 years the municipality has managed to train all councillors and managers on performance management system, oversight training for councillors, municipal finance management programme, risk management etc.

T 3.26.7

## 3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

### INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The ICT section has managed to develop ICT Master Plan and Policy to guide and regulate ICT day to day programmes. These policies have been approved by council.

T 3.27.1

### SERVICE STATISTICS FOR ICT SERVICES

T 3.27.2

# Chapter 3

ICT Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	2018/19		
		Target	Actual	Target		Actual	Target		
	Key Performance Indicator	*Previous Year- 2016/17	2016/17	*Previous Year- 2016/17	*Current Year- 2017/18	2017/18	*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Ensure effective and efficient Information and communication technology systems by June 2022	ICT policies approved by council (Input)	ICT policies approved by council	Achieved	ICT policies approved by council	ICT policies reviewed and approved by council	Achieved			
	IT Masterplan approved by council (Input)	IT Masterplan approved by council	Achieved	IT Masterplan approved by council	IT Masterplan reviewed and approved by council	Achieved			
									T 3.27.3

# Chapter 3

Employees: ICT Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.27.4

# Chapter 3

Employees: ICT Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
10 - 12	2	3	2	1	33%
Total	2	3	2	1	33%

Financial Performance Year 0: ICT Services					
R'000					
Details	Year - 1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	#DIV/0!
Expenditure:					
Employees	0	0	0	0	#DIV/0!
Repairs and Maintenance	0	0	0	0	#DIV/0!
Other	0	0	0	0	#DIV/0!
Total Operational Expenditure	0	0	0	0	#DIV/0!
Net Operational Expenditure	0	0	0	0	#DIV/0!
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					
T 3.27.5					

3.27.5 and 3.27.6 the financial information for ICT services is not separated from BTO's Office.

## COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

Refer to Component K of the report.

T3.27.7

# Chapter 3

## 3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes: property; legal; risk management and procurement services.

### INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

Refer to Component K of the report

*T3.28.1*

### SERVICE STATISTICS FOR PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

*T 3.28.2*

# Chapter 3

Property; Legal; Risk Management; and Procurement Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1	2018/19	
		Target	Actual	Target		Actual	Target		
	Key Performance Indicator	*Previous Year- 2016/17	2016/17	*Previous Year- 2016/17	*Current Year- 2017/18	2017/18	*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
To ensure management of organizational and mitigation of risks by June 2022	Number of reports on the implementation of Anti-Fraud and anti-corruption plan (Input)	4 reports	Achieved	4 reports	4 reports	Achieved			
	Risk and fraud management policy reviewed and approved by council (Input)	Risk and fraud management policy reviewed and approved by council	Achieved	Risk and fraud management policy reviewed and approved by council	Risk and fraud management policy reviewed and approved by council	Achieved			
	Number of RIMCO meetings held (Output)	4 meetings	4 meetings	4 meetings	4 RIMCO meetings	4 meetings			
Ensure effective and efficient resolution of legal cases	Report on number of litigation received (Input)	4 reports	Achieved	4 reports	4 reports	Achieved			

# Chapter 3

Property; Legal; Risk Management; and Procurement Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1	2018/19	
		Target	Actual	Target		Actual	Target		
	Key Performance Indicator	*Previous Year- 2016/17	2016/17	*Previous Year- 2016/17	*Current Year- 2017/18	2017/18	*Current Year	*Current Year	*Following Year
by 2017									
									T 3.28.3

# Chapter 3

Employees: Property; Legal and Procurement Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
7 - 9	3	3	3	0	0%
10 - 12	1	2	1	1	50%
16 - 18	1	2	1	1	50%
Total	5	7	5	2	29%

## COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL:

Refer to Component K of the report

T 3.28.7



# Chapter 3

## COMPONENT J: MISCELLANEOUS

This component includes: the provision of Airports, Abattoirs, Municipal Courts and Forestry as municipal enterprises.

### INTRODUCTION TO MISCELLANEOUS

*This is not GKM function*



*T 3.29.0*

# Chapter 3



## COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

This component includes: Annual Performance Scorecard Report for the current year.




### KPA 1: SERVICE DELIVERY AND INFRASTRUCTURE PROVISION.

IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Year Under Review (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible directorate
				Plan	Actual	Plan	Actual					
To Ensure accessible roads within the Great Kei Local Municipal Area by 2022	SD01: By constructing municipal roads	SD01-01	Number of kms of gravel roads to be constructed through MIG (Output)	To construct 7 Kms at Bhola village and old location	Achieved	4.7 kms of gravel roads to be constructed at Bhola Village and Old Location	6.6 kms achieved		Practical completion certificate signed by all parties given that it was monitored internally	1.9 km owing to the fact that the Contractor donated the difference to the community as part of social responsibility	The municipality has noted with appreciation the difference due the donation by contractor	Infras & Comm Services
		SD01-02	Number of km (6) to be maintained through internal	2 kms of gravel roads to be constructed	Achieved	6 KMs of gravel roads maintained	2.1 kms achieved		Monthly progress reports. Practical completion	3.9km -due to non-availability of grader	Currently being repaired through a service	Infras &



# Chapter 3

IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Year Under Review (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible directorate
				Plan	Actual	Plan	Actual					
			funding (Output) (Outcome)	d at Qumrha		d			certificate	machinery	provider	
To ensure provision of public amenities by June 2022.	SD02. Number of public amenities' to be constructed (Output)	SD02-01	Number of public amenities' to be constructed (Output)	3 community Halls constructed at Bhola Village, Sithungu and Silatsha Community	Achieved	2 multi-purpose centers at Soto and Qumrha (adult and disability centres)	Achieved		Practical completion certificate	None	None	Infras. & Comm. Serv
	SD03: : By Constructing and maintaining public amenities	SD03-01	Number of Public amenities maintained (Output)	1 Day Care Centers constructed	Achieved	4 public amenities to be maintained	Achieved (Caravan Park Kei Mouth, Kei Mouth Hall and refurbishment of toilets and kitchen)		Signed reports to standing committee	None	None	Infras. & Comm. Serv


# Chapter 3

IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Year Under Review (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible directorate
				Plan	Actual	Plan	Actual					
Provide access of electricity to Great Kei Communities by 2022	SD04: Solicit funding from DOE and potential funders.	SD04-01	Number of applications submitted to DoE for funding (Input	Electrical master plan developed and approved by council	Achieved	1 application submitted to DoE	Achieved		Proof submission & Gazette	None	None	Infras & Comm Serv
	SD05: By Upgrading and maintaining the electrical network	SD05-01	Number of reticulation projects completed (Output	Chintsa east area 17 phase 1 Reticulation project completed	Achieved	Chintsa east area 17 phase II Reticulation project completed	Achieved		Completion Certificate	None	None	Infras & Comm Serv
To ensure that National building regulations are adhered to by June 2022	SD06: Implementation of land use and spatial planning guidelines	SD06-01	100% of submitted building plans processed within 3 months (Input)	100% approval of submitted plans within 3 months	Achieved	100% approval of submitted building plans and land use applications within 3 months	Achieved		Monthly progress reports on submitted applications by developers and Revenue collected.	None	None	Infras & Comm Serv

# Chapter 3

IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Year Under Review (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible directorate
				Plan	Actual	Plan	Actual					
To facilitate the provision of sustainable human settlement within GKM by June 2022	SD07: By Facilitating access to Housing as per the Great Kei Housing Sector Plan	SD07-01	Number of reports on access to Housing as per the Great Kei Housing Sector Plan 500 Units (Output)	800 beneficiaries submitted to dpt of Human Settlements for houses approval	1140 beneficiaries submitted to DHS	200 Beneficiaries captured in the NHNR	856		Signed Reports per quarter to Standing Committee	None	None	Infras & Comm. Serv
To ensure alignment of SDF with the IDP by June 2022 to ensure progressive Spatial Planning & Land Use	SD08: By aligning SDF with the IDP by June 2022 to ensure progressive Spatial Planning & Land Use	SD08-02	Final Land Audit report completed and adopted by council (Input)	2 Land Audit report to council	Partially Achieved	Final Land Audit report completed and adopted by council	Final Land Audit report completed and not adopted by council		Final Land Audit report completed and adopted by council	The Municipality has been facing financial challenges and has therefore not been able to pay the outstanding amount to the service provider, leading to the service provider	Carry over target to the first quarter of the 2018/19 financial year and ensure that the project is complete and been presented to Ordinary Council in October 2018	Infras &



# Chapter 3

IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Year Under Review (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible directorate
				Plan	Actual	Plan	Actual					
										refusing to complete the project		
			100% of submitted development applications processed (Input)	100% of submitted development applications processed	Achieved	100% of submitted development applications processed within 3 months	Achieved		Signed quarterly report to standing committee	None	None	
To ensure a safe and secure environment by June 2022	SD09: By Coordinating sitting of community safety forum.	SD09-01	Number of community safety forums held (Output)	Four community safety forums held.	4 community safety forums held.	Four community safety forums held.	4 community safety forums held		Attendance registers. Minutes	None	None	Infras & Comm
		SD09-02	GKM Disaster Management plan developed and	New Indicator	New Indicator	GKM Disaster Management plan developed and	Not Achieved		Quarterly Reports to standing Committee. Council	Municipality did not have funds and the capacity to compile the	Requested assistance from the District to compile the plan. The	

# Chapter 3

IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Year Under Review (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible directorate
				Plan	Actual	Plan	Actual					
			approved by council (Input)			approved by council			resolutions	plan	response is expected by end 2 <sup>nd</sup> quarter.	
To ensure improved solid waste management by June 2022	SD10: By implementing integrated Waste Management Plan in line with NEMWA	SD10-01	Number of additional households provided with access to weekly refuse removal	60 additional households (collection points)	Achieved	18 additional households	Not achieved. Increase collection points by 8 households	👍	Quarterly Reports to standing Committee	Mechanical breakdown of the refuse trucks	Carry-over target to the first quarter of the 2018/19 FY. To fix the refuse trucks and fast-track the backlog.	Infras & Comm. Serv
	SD11: By undertake rehabilitation for the closure of the landfill site	SD11-01	Number of reports on closure of landfill site (Input)	2 Progress reports on closure of landfill site	2 reports	4 progress reports on closure of landfill sites	3 Reports	👍	Quarterly Reports to standing Committee	Awaiting for funds to be transferred from DEDEAT to GKM	Funding sourced from DEDEAT. Carry-over target to the first quarter of the 2018/19 FY.	Infras & Comm. Serv
To Co-ordinate improvement of Municipal Environmental	SD12: By developing and implementing integrated	SD11-01	Number of reports on developing and	New Indicator	New Indicator	04 progress reports on implement	Not Achieved	👍	Quarterly Reports to standing	Municipality did not have capacity to develop its	To sort assistance from Department of	Infras &



# Chapter 3

IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Year Under Review (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible directorate
				Plan	Actual	Plan	Actual					
<b>Management by 2022</b>	environmental management plan in line with NEMA		implementing			ation of CMP			Committee	plan.	Environmental Affairs in the first and second quarter of 2018/19 FY	
		SD12-02	Number of town beautification program conducted (Output)	Two greenest town program conducted	Achieved	2 town beautification program conducted	Not Achieved		Report on the beautification of town conducted	There was no staff to perform beautification	Carry over target to the 1st quarter of 2018/19 FY and use the Waste Management casuals	Infras & Comm. Serv
<b>To improve management of cemeteries by June 2022</b>	SD13: By Developing and implementing Integrated Cemetery management plan	SD13-01	Number of reports on Implementation of Cemetery Management Plan (Input)	Final draft integrated cemetery management plan approved by council	Achieved	4 reports on Implementation of Cemetery Management Plan	Not Achieved		Quarterly Reports to standing Committee	EPWP casuals contracts were terminated due to financial constraints	Carry over target to the 1st quarter of 2018/19 FY and the use the Waste Management casuals	Infras & Comm. Serv





# Chapter 3

## KPA 2: LOCAL ECONOMIC DEVELOPMENT

IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Prior Financial Year (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible directorate
				Plan	Actual	Plan	Actual					
To create opportunities for sustainable development within the GKM area by June 2022	LED01 By identifying and twinning with municipality/s/ organisations with similar areas of cooperation	LED01-01	1 MOU signed and report on the implementation (Input)	New Indicator	New Indicator	1 MOU signed and 1 implementation report (twinning)	Achieved . Signed MOU with Sibanye Stillwater		Signed MOU	None	None	Strategic Services
		LED01-02	LED Strategy reviewed and approved by council (Input)	LED Strategy reviewed and approved by council	Achieved	LED Strategy reviewed and approved by council	Not Achieved		Council resolutions. Signed strategy	Due to financial constraints of the municipality this target could not be achieved.	Target carried over to the next financial year.	Strategic Services

# Chapter 3

IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Prior Financial Year (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible Directorate
				Plan	Actual	Plan	Actual					
<b>To create job opportunities through EPWP program by June 2022</b>	LED02: Support initiatives geared towards mass job creation and sustainable livelihoods	LED02-01	Number of job opportunities created through EPWP, CWP and MIG projects (output) (Output)	200 Jobs	87-EPWP jobs  558-CWP jobs	500 jobs created	205-EPWP, 94-MIG  550-CWP		Proof of employment / Signed Reports to council	349 owing to increased work opportunities i.e. on CWP	Forecasting shall be done in line with all new project including those with other sector institutions	Strategic Services
<b>To promote the tourism potential of GKM by June 2022</b>	LED03: By marketing the GKM as tourist destination through promoting heritage and agricultural potential	LED03-01	Oceans Economy Business Plan developed and approved by Council (Input	1 business plan developed for Ngxingxolo Cultural Village	Achieved	Oceans Economy Business Plan developed and approved by Council	Not Achieved		Approved Business Plan. Council resolutions	Due to financial constraints of the municipality and a delay in finalizing land audit report this target could not be achieved.	Target carried over to the next financial year.	Strategic Services

# Chapter 3



IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Prior Financial Year (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible Directorate
				Plan	Actual	Plan	Actual					
		LED03-02	Number of Tourism branding material purchased	New Indicator	New Indicator	100 copies	Achieved		Approved Specification. Appointment letter	None	None	
	LED04: Lobby funding for high impact projects	LED04-01	Small Town Regeneration Strategy developed and approved by Council (Input)	New Indicator	New Indicator	Small Town Regeneration Strategy developed and approved by Council	Achieved		Council resolutions. Copy of Strategy	None	None	
<b>To promote the agrarian economy in support of the disadvantaged communal farmers by June 2022</b>	LED05: By supporting and monitoring Agrarian Production Programs in partnership with DRDAR	LED05-01	Lobby for support for the development of Agri-Park (Input)	1 communal farmer supported on Maize ploughing program	Achieved	Develop implementation Plan for the development of Agri-Park	Achieved	👍	Terms of reference of Agri Park	None	None	Strategic Services

# Chapter 3



IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Prior Financial Year (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible directorate
				Plan	Actual	Plan	Actual					
To create a conducive environment for SMME's and Co-operatives to access economic opportunities by June 2022	LED6: Lobby technical support and funding from potential funders to support SMME's & Co-operatives	LED06-01	SMME Policy developed and approved by council (Input)	4 SMME's Funded by <u>Potential Funders</u> and 6 Capacity building	Achieved	SMME Policy developed and approved by council	Achieved		Council resolutions. Copy of policy	None	None	Strategic Services
		LED06-02	Partnership agreement developed and signed with DTI	New Indicator	New Indicator	Partnership agreement developed and signed with DTI	Achieved		Signed agreement	None	None	

# Chapter 3


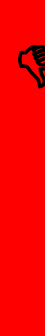
## KPA 3: FINANCIAL VIABILITY AND MANAGEMENT

IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Prior Financial Year (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible directorate
				Plan	Actual	Plan	Actual					
To ensure proper management of GKM assets by 2022	FM01: By developing and maintenance a GRAP compliant asset register	FM01-01	Asset policy and updated asset register approved by council (Input)	Asset policy and updated asset register approved by council.	Achieved	Review of asset policy and maintenance register	Achieved		Council resolutions. Copy of approved policy	None	None	RTO
To ensure adherence to Supply Chain Management Regulations by June 2022.	FM02: Review and enforcement of SCM policies and procedures. Strengthen	FM02-01FM0QFF	SCM policy reviewed and approved by council (Input)	SCM policy reviewed and approved by council	Achieved	SCM policy reviewed and approved by council	Achieved		Council resolutions. Copy of approved policy	None	None	RTO

# Chapter 3

IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Prior Financial Year (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible directorate
				Plan	Actual	Plan	Actual					
	reporting mechanisms /systems to Council, Provincial And National Treasury	FM02-02	Procurement plans signed off by the Accounting Officer (input	Procurement plans signed off by the Accounting Officer	Achieved	Procurement plans signed off by the Accounting Officer	Achieved		Signed procurement plans by the accounting officer	None	None	RTO
		FM02-03	No of SCM reports to Council	New Indicator	New Indicator	4 reports on the implementation of the SCM policy	Achieved		Council item & resolutions	None	None	RTO
		FM02-04	Suppliers Day held (Output	1 Suppliers Day held	Achieved	1 Suppliers Day held	Achieved		Attendance register and minutes	None	None	
		FM02-05	% of tenders concluded in accordance with (tender validity timeframe) (Output)	100%	100% Achieved	100%	100% Achieved		Copy of advert and Appointment letter	None	None	RTO

# Chapter 3


IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Prior Financial Year (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible directorate
				Plan	Actual	Plan	Actual					
To have effective and efficient expenditure management processes and systems by 2022	FM03: By Implementing expenditure management in terms of Section 65 and 66 of MFMA	FM03-01	% of MIG Funding expenditure (Output)	100%	97% Achieved	100%	100%		MIG expenditure report	None	None	Infrastructure
		FM03-02	Irregular, Fruitless and Wasteful and Unauthorized Expenditure report (Input)	0%	0%	0%	Not Achieved		S32 reports	Since the municipality did not pay its creditors within 30 days interest was charged	Financial recovery plan is in place.	All Directorates
		FM03-03	Creditors payment period (Output)	30 days	11.4% of creditors were paid within 30 days	30 days	Not Achieved		Creditors payment report	The municipality did not collect enough revenue to be able to pay creditors that are within 30 days.	Financial recovery plan is in place.	RTO

# Chapter 3

IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Prior Financial Year (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible directorate
				Plan	Actual	Plan	Actual					
		FM03-04	Payments of salaries and allowances as per the prescribed time (input)	New Indicator	New Indicator	Payment of salaries on deadline	Not Achieved		Section 66 reports	The municipality did not have enough money at the bank to pay salaries at a prescribed date.	Financial recovery plan is in place	
Ensure effective and efficient Information and communication technology systems by June 2022	FM04: By Upgrading and maintenance of ICT infrastructure and systems	FM04-01	ICT policies reviewed approved by council (Input)	ICT policies approved by council	Achieved	ICT policies reviewed and approved by council	Not Achieved	👍	Council resolutions. Copy of approved policy.	Target could not be achieved due to Labour Unrest, and Arson/ Burning of Municipal Offices.	This has been planned for Q1 of 2018/19	RTO
		FM04-02	IT Masterplan reviewed and approved by council	IT Masterplan approved by council	Achieved	Review and Implement IT Masterplan approved by Council	Not Achieved	👍	Council resolutions Copy of approved IT Master Plan	Target could not be achieved due to Labour Unrest, and Arson/ Burning of Municipal Offices.	This has been planned for Q1 of 2018/19	RTO





# Chapter 3

IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Prior Financial Year (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible directorate
				Plan	Actual	Plan	Actual					
	FM05: Comply with all statutory financial reporting and management	FM05-01	Compliance reports submitted as per MFMA (Input)	Submission of compliance reports within specified time frame	Achieved	Submission of compliance reports within specified time frame	Achieved		Proof of submissions and copies of reports	None	None	RTO
	FM06: By planning and preparation of municipal budget in line with MFMA Regulations	FM06-01	Annual approved budget by council for 2018/2020 (Input)	Annual approved budget by council for 2017/18	Achieved	Annual approved budget by council for 2018/19	Achieved		Council resolutions. Copy of approved Budget. Proof of submission	None	None	

# Chapter 3

IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Prior Financial Year (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible directorate
				Plan	Actual	Plan	Actual					
To Maintain budgeting and reporting mechanisms in line with Municipal Finance Management Act, VAT Act, Treasury regulations and Budget reforms , by June 2022		FM06-02	Number of Municipal standard charts of accounts compliance repots to Council (Input)	4 mSCOA compliance reports	Achieved	4 mSCOA compliance reports	Achieved		4 quarterly mSCOA reports to Council	None	None	
To ensure that the municipality has effective revenue collection system consistent	FM07: Data cleansing and accurate billing of all GKM services	FM07-01	% increase in actual revenue collection (Output)	8% Increase	65% collection	5% Increase	Not Achieved		Revenue collection report to the Standing Committee	Target could not be achieved due to Labour Unrest, and Arson/ Burning of Municipal Offices.	The municipality is implementing the financial recovery plan.	RTO

# Chapter 3

IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Prior Financial Year (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible directorate
				Plan	Actual	Plan	Actual					
with Section 95 of the MSA and municipality's credit and debt control policy (Section 64 MFMA) by June 2022.	FM08: Review and maintain an updated indigents register	FM08-01	Indigent register review and updated (input)	100%	Achieved	100% beneficiary subsidization of the customers that have claimed	Not achieved		Council item and resolution. Reports on indigent register	Target could not be achieved due to Labour Unrest, and Arson/ Burning of Municipal Offices.	The municipality is implementing the financial recovery plan	RTO
To ensure improvement of audit outcomes by June 2022.	FM09: Develop and monitor audit improvement plan to reduce internal audit external audit findings	FM09-01	% of audit findings addressed (Output)	Improvement in Audit opinion (Unqualified)	Unqualified	100% reduction of audit findings	69%		Audit action plan report and council item	Target could not be achieved due to administration instability.	To seek assistance from Cogta to fastrack previous audit findings	All Directorates

# Chapter 3



IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Prior Financial Year (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible directorate
				Plan	Actual	Plan	Actual					
<b>To ensure management of organizational and mitigation of risks by June 2022</b>	FM10: Develop, monitor and review of strategic risks registers	FM10-01	% implementation of action plan to mitigate identified risks (Output)	100% of identified risks mitigated	100% Achieved	100% of identified risks mitigated	Not Achieved		Risk reports	Target could not be achieved due to administration instability	To organize a workshop for management. Workshop to be held on the 28 <sup>th</sup> September 2018.	All Directorates
<b>To enhance the enforcement of National Road Traffic Act 93 of 1996 and by-laws by June 2022</b>	FM11: Maintain safety on roads through implementation and monitoring of road traffic rules	FM11-01	Number of Motor Vehicle registrations, bookings and renewals of drivers licenses (Output)	1.900 learners' license 2. 900 driver's license. 3. 120 drivers renewal 4. 180 fines issued	1. Learners' license-1212 2. Driver's license-2444 3. Drivers renewal-959 4. Fines issued-181	400 learners' license and 400 driver's license. 120 Motor vehicles renewals	Learners licence-938  driving licences-1819  renewals-1269  motor vehicle reg-2224		Quarterly e-Natis reports	None	None	All Directorates

# Chapter 3



IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Prior Financial Year (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible directorate
				Plan	Actual	Plan	Actual					
			Number of fines issued (Output)	180 fines issued	Fines issued- 181	400 fines issued	Achieved		Quarterly reports to the standing committee	None	None	

# Chapter 3




## KPA 4: INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Prior Financial Year (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible directorate
				Plan	Actual	Plan	Actual					
<b>To ensure compliance with the Employment Equity Act by June 2022</b>	ID01: By ensuring targets on EEP are met. Ensure submission of EE Reports to the Department of Labour.	ID01-01	% of Employment equity Plan target implemented (Output)	15 % of Employment equity Plan target implemented	27%	5% of EEP targets implemented	0%		EEP Reports to standing committee/ council	Recruitment process was put on hold	This has been planned for Q1 of 2018/19	Corporate services
<b>To ensure Proper adherence to attendance and leave management by June 2022</b>	ID02. Ensure implementation and monitoring of attendance, leave policy and procedure	ID02-01	Number of compliance on Pay-Day Leave System Reports (Input)	4 Reports	Achieved	Automating leave system project approved and implemented	Not Achieved		Signed quarterly reports	Due to challenges with Sebata Financial System Service Provider	This has been planned for Q1 of 2018/19	Corporate services

# Chapter 3

IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Prior Financial Year (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible directorate
				Plan	Actual	Plan	Actual					
To ensure review of municipality's organizational Structure and ensure alignment with the IDP Strategies, Objectives and available resources by June 2022.	ID03: By Annually reviewing the GKM Organogram through normal customized review processes	ID03-01	2017/18 Organization structure reviewed and approved by council (Input)	2016/17 Organization structure reviewed and approved by council	Achieved	2017/18 Organization structure reviewed and approved by council	Not Achieved		Council resolution. Copy of approved organogram	Due to Labour Unrest, Community Protest and Arson/ Burning of Municipal Offices - Workshops could not be conducted	This has been planned for Q1 of 2018/19	Corporate services
	ID04: Coordination of effective and efficient Recruitment and Selection Process in line with applicable reviewed policies	ID04-01	The average length of time it takes to fill a post (Output)	Recruitment Plan approved by Council	Achieved	3 months for positions below S54 and S56	Not Achieved		Quarterly reports to the standing committee	Target is not met due to recruitment that was put on hold.	This has been planned for Q1 of 2018/19	Corporate services

# Chapter 3


IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Prior Financial Year (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible directorate
				Plan	Actual	Plan	Actual					
To ensure the development, review, Implementation and monitoring of WSP for Municipal Staff and Councilors by June 2022.	ID05: By ensuring the implementation and monitoring of WSP.	ID05-01	Workplace Skills Plan reviewed and approved by council (Input)	Workplace Skills Plan reviewed and approved by council	Achieved	Workplace Skills Plan reviewed and approved by council	Achieved		Council resolution. Copy of approved Plan	None	None	Corporate services
		ID05-02	Number of staff actually trained as per the WSP (Output)	100%	68%	8 training interventions	Achieved		Training reports to standing committee/ council	None	None	Corporate services
To ensure compliance with applicable legislation, regulations, policies and procedures by June 2022	ID06: By coordinating the development, review and implementation of all municipal policies, by-laws and procedure manuals in line with applicable legislation	ID06-01	Number of Municipal Policies reviewed and approved by council (Input)	All municipal Policies reviewed and approved by council	Achieved	All municipal Policies reviewed and approved by council	Not Achieved		Council resolution for all municipal policies approved	Due to Labour Unrest, Community Protest and Arson/ Burning of Municipal Offices - Workshops could not be conducted	This has been planned for Q1 of 2018/19	Corporate services






# Chapter 3

IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Prior Financial Year (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible directorate
				Plan	Actual	Plan	Actual					
	ID07: Develop and conduct legal compliance audits	ID07:01	Number of compliance audits conducted (input)	New Indicator	New Indicator	4 compliance audits	3 compliance audits		Completed audits and reports	Due to Labour Unrest, Community Protest and Arson/ Burning of Municipal Offices.	This has been planned for Q1 of 2018/19	
	ID08: Promulgation of By - Laws	ID08:01	Number of By-laws promulgated (input)	New Indicator	New Indicator	Sourcing of funding for promulgation of by-laws	Not Achieved		5 copies of promulgated by-laws	Due to financial limitations GKM could not kick start the process	To prioritize by-laws for promulgation and corporate services to coordinate logistics before 31 September 2018	


# Chapter 3

IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Prior Financial Year (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible directorate
				Plan	Actual	Plan	Actual					
To ensure effective functioning of Council and its committees by June 2022	ID09: By ensuring that the Council and its sub-committees seat in accordance with the approved Council schedules	ID09-01	Number of Council and standing committee meetings set in line with 2017/18 council calendar (Output)	4 Ordinary Council seating's. 20 Standing Committee seating's	5 Ordinary & 4 Special Council meetings 30 Standing Committees	4 Ordinary Council seating's. 20 Standing Committee held	Achieved		Council minutes. Standing committee minutes	None	None	Corporate services
	ID10:By ensuring safe keeping of the Council resolution register	ID10:01	Number of resolution registers (input)	New Indicator	New Indicator	4 resolution registers	Achieved		Copies of resolution registers	None	None	

# Chapter 3

IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Prior Financial Year (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible directorate
				Plan	Actual	Plan	Actual					
To promote sound labor relations and ensuring compliance with relevant labour legislations by June 2022.	ID11: By implementing disciplinary code and adhering to the applicable labor related legislation	ID11-01	Number of workshops conducted on code of conduct & disciplinary codes (Output)	6 cases	2 cases	4 workshops	3 workshops		Attendance registers and copies of presentations	Due to the administration instability.	This has been planned for Q1 of 2018/19 FY.	Corporate services
		ID11-02	Number of LLF meetings held (Output)	4 LLF meetings held	4 LLF meetings held	4 LLF meetings held	4 LLF meetings held		Attendance registers and minutes	None	None	Corporate services
To ensure availability of competent, healthy and motivated workforce by June 2022	ID12: By reviewing of Employee Wellness Policy.	ID12-01	Number of Employee Wellness program conducted (Input)	2 Employee Wellness program conducted	Achieved	2 Employee Wellness program conducted	Not Achieved		Employee wellness report to standing committee	Due to Labour Unrest, Community Protest and Arson/ Burning of Municipal Offices.	This has been planned for Q1 of 2018/19 FY.	Corporate services


# Chapter 3

IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Prior Financial Year (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible directorate
				Plan	Actual	Plan	Actual					
<b>To ensure compliance with Health and Safety Regulation by June 2022</b>	ID13: By implementing and monitoring of health and safety policy and regulations	ID113-01	Number of Health and Safety inspections conducted (output)	3 meetings	Achieved	4 inspections & reports	2 inspections achieved		Inspection reports	Due to Labour Unrest, Community Protest and Arson/ Burning of Municipal Offices.	Survey to be conducted in the 1st Quarter of 18/19 FY	Corporate services
To promote holistic customer reception management and provision of auxiliary services to the entire institution by June 2022	ID14: By ensuring the implementation of the Reception Procedure Manual and the Cleaning Maintenance Plan	ID14:01	Number of satisfaction customer surveys conducted (Output)	New Indicator	New Indicator	4 Surveys and report	Not Achieved		Reports of surveys	Due to Labour Unrest, Community Protest and Arson/ Burning of Municipal Offices.	Survey to be conducted in the 1st Quarter of 18/19 FY.	



: BY IMPLEMENTING AND MONITORING OF HEALTH AND SAFETY POLICY AND REGULATIONS

# Chapter 3



## KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Prior Financial Year (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible directorate
				Plan	Actual	Plan	Actual					
To promote effective participation of community members in the affairs of governance by 2022	GG01: By implementing approved public participation & petitions strategy	GG01-01	Number of ward committee meetings held (Output)	4 meetings and 4 reports	Achieved	4 meetings	Achieved		Signed minutes and Attendance registers	None	None	Strategic Services
	GG02: By managing petitions through effective communications with relevant stakeholders	GG02-01	Number Mayoral Imbizo's held (Output)	4 meetings	Achieved	4 meetings	Achieved		Signed minutes and Attendance registers	None	None	



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IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Prior Financial Year (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible Directorate
				Plan	Actual	Plan	Actual					
To ensure effective implementation of Marketing and Communication Strategy by June 2022	GG03: Enhance internal and external communications	GG03-01	GKM protocol and Etiquette policy developed and approved by council (Input	4 Reports on the implementation of the Communication Strategy and Policy	Achieved	GKM protocol and Etiquette policy developed and approved by council	Not Achieved		Signed policy. Council resolution	The policy could not be developed due to lack of capacity	To engage Cogta and GCIS.	Strategic Services
To strengthen relations between the municipality, government departments and parastatals and to ensure integrated planning by June 2022	GG04: Co-ordinate GKM IGR Forum	GG04-01	Number of IGR meetings held (Output)	4 IGR meetings held	Achieved	4 IGR meetings held	2 Meetings		Attendance register and minutes			Strategic Services

# Chapter 3



IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Prior Financial Year (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible Directorate
				Plan	Actual	Plan	Actual					
To ensure the development, implementation and review of integrated development planning by June 2022	GG05: : By facilitating development and review of IDP through implementation of IDP process plan	GG05-01	5 year IDP developed, reviewed and approved by council (Input)	2016/17 IDP/PMS and Budget process plan developed and approved by council	Achieved	IDP reviewed, implemented and approved by council	Achieved		Council resolutions. Copy of approved IDP/PMS and Budget process plan	None	None	Strategic Services
To ensure the institutionalization of Performance Management by June 2022	GG06: Develop and review Institutional Strategic Score Card and cascading of PMS	GG06-01	SDBIP approved by the Mayor within 28 days after the approval of IDP and Budget (Input)	PMS Policy reviewed and by approved by council	Achieved	Implemented	Achieved		Copy of signed 2017/18 SDBIP. Copy of signed reviewed 2017/18 FY	None	None	Strategic Services

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IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Prior Financial Year (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible directorate
				Plan	Actual	Plan	Actual					
		GG06-02	Number of signed performance agreements by S56 Managers (Output)	4	Achieved	4 signed Performance Agreements	Achieved		Signed Performance Agreements	None	None	Strategic Services
	GG07: Monitor and measure institutional performance quarterly	GG07-01	Number of mid-year, annual performance report and annual report developed and approved by council (Input)	4 Quarterly SDBIP Reports and 1 Annual Performance report approve by council	Achieved	1 mid-year report, 1 annual performance report and annual report developed and approved by council	Achieved		Council resolutions. Copy approved reports	None	None	Strategic Services




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IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Prior Financial Year (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible Directorate
				Plan	Actual	Plan	Actual					
		GG07-02	Number of S56/7 performance assessment conducted	1 S56/7 performance assessment conducted	Achieved	1 S56/7 performance assessment conducted	Not Achieved		Performance assessment reports to council. Council resolutions	The assessments were put on hold due to financial constraints	To be conducted on the 1 <sup>st</sup> quarter 2018/19 FY.	Strategic Services
		GG07-03	Number of reports on performance of services providers (Input)	2 reports	Achieved	4 reports	Achieved		4 SCM quarterly reports	None	None	Strategic Services
<b>To ensure management of organizational and mitigation of risks by June 2022</b>	GG08: By implementing and monitor effective risk management and fraud prevention strategies	GG08-01	Risk and fraud management policy reviewed and approved by council (Input)	4 Reports	Achieved	Risk and fraud management policy reviewed and approved by council	Not Achieved		Council resolutions. Copy of the policy.	Target could not be achieved due to Labour Unrest.	This has been planned for Q1 of 2018/19	


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IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Prior Financial Year (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible Directorate
				Plan	Actual	Plan	Actual					
	GG09: Sittings of Risk Management Committee Meetings	GG09-01	Number of RIMCO meetings held (Output)	4 meetings	4 meetings	4 RIMCO meetings held	0 meetings		Attendance register. Minutes	The Meetings were postponed due to an operational disturbance at the municipality	Meeting to be held in Q1.	Strategic Services
To ensure effective functioning of Oversight Committees by June 2022	GG10 Provide administrative support to oversight committees	GG10-01	Number of Audit Committee Meetings held (Output)	4 AC Meetings	6AC Meetings	4 AC Meetings	3 meetings		Attendance register. Minutes	The Meeting was postponed due to an operational disturbance at the municipality	Meeting to be held in Q1.	Strategic Services
		GG10-02	MPAC meetings held before the sitting of Council (Output)	4 meetings	14 MPAC meetings held	4 MPAC	Achieved		Attendance register. Minutes	None	None	Strategic Services

# Chapter 3

IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Prior Financial Year (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible directorate
				Plan	Actual	Plan	Actual					
To provide independent professional advice on governance issues, risk management and internal controls by June 2022	GG11: Independent review on the reported performance information	GG11-01	Number of Internal audit reports to Audit Committee on performance management (Input)	6 internal performance information audit reports	Achieved	4 Reports	3 Reports		Internal audit reports to Audit Committee	The AC Meeting was postponed due to an operational disturbance at the municipality.	Meeting to be held in Q1.	
Ensure effective and efficient resolution of legal cases by 2022	GG12: Resolve legal matters of the municipality	GG12-01	Number of reports on number of litigation received (Input)	4 reports	Achieved	4 reports	Achieved		Reports on number of litigation received	None	None	Strategic Services

# Chapter 3

IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Prior Financial Year (2016/17 FY)		Year Under Review (2017/18 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible directorate
				Plan	Actual	Plan	Actual					
<b>To accelerate empowerment of historically disadvantaged groups by June 2022</b>	GG13: By developing, reviewing and implementing plan that promote mainstreaming of Special programs in all GKM programs, plans and projects	GG13-01	SPU Plan approved by Council and implemented (input)	4 reports	Achieved	SPU plan reviewed and implemented	Achieved		Signed SPU quarterly reports	None	None	Strategic Services

# Chapter 3

## LGTAS KEY PERFORMANCE INDICATORS IN THE ANNUAL REPORT

### KPA 1: Organisational Transformation and Institutional Development

Annual performance as per key performance indicators in municipal transformation and organizational development

No	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1	Vacancy rate for all approved and budgeted posts;	22	4	18 %	Budget constraints
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	5	4	80 %	N/A
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	0	0	NIL	N/A
4	Percentage of Managers in Technical Services with a professional qualification	3	2	80 %	N/A
5	Level of PMS effectiveness in the DM – (DM to report)	The PMS is cascaded to lower levels, implemented from high level management down to levels below. Directors report on quarterly basis through various structures and middle managers report on monthly bases.			
6	Level of effectiveness of PMS in the LM – (LM to report)				
7	Percentage of staff that have undergone a skills audit (including	61	32	52%	Limited budget available

# Chapter 3

	competency profiles) within the current 5 year term				
8	Percentage of Councilors who attended a skill development training within the current 5 year term	13	1	8 %	Financial Constraints
9	Percentage of staff complement with disability	2	2	100 %	Only 1 employee disclosed his status during financial year 17/18
10	Percentage of female employees		77	51%	
11	Percentage of employees that are aged 35 or younger		31	20%	
12	Adoption and implementation of HRD Plan including WSP	50%	10 %	20 %	The WSP was adopted and submitted to the LGSETA and a council resolution confirming the submission is available. Due to financial constraints we are unable to implement WSP

KPA 2:

# Chapter 3

## KPA 2: Basic Service delivery performance highlights

### Annual performance as per key performance indicators in water services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
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### Annual performance as per key performance indicators in Electricity services

No	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to electricity services	3,000.00	73	17	17	100%
2	Percentage of indigent households with access to basic electricity services	568	TBD	600	568	95%
3	Percentage of indigent households with access to free alternative energy sources	420	TBD	420	277	65%

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## Annual performance as per key performance indicators in sanitation services

No	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to sanitation services	ADM				
2	Percentage of indigent households with access to free basic sanitation services	ADM				
3	Percentage of clinics with access to sanitation services	ADM				
4	Percentage of schools with access to sanitation services	ADM				

## Annual performance as per key performance indicators in road maintenance services

No	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (Actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households without access to gravel or	394 km	316 km	7 kms of gravel roads to be constructed at Bhola Village	7 kms achieved	100%



# Chapter 3

	graded roads			and Old Location		
2	Percentage of road infrastructure requiring upgrade	142km	132	10	10	100%
3	Percentage of planned new road infrastructure actually constructed	174 km	164	10	10	100%
4	Percentage of capital budget reserved for road upgrading and maintenance effectively used.	394km	316km	24km	24km	100%

## Annual performance as per key performance indicators in waste management services

No	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1.	Percentage of households with access to refuse removal services	12340	8177	60	4163	100%
2.	Existence of waste management plan	Our IWMP is under review				

## Annual performance as per key performance indicators in housing and town planning services

No	Indicator name	Total number of household/customer expected to	Estimated backlogs (Actual	Target set for the f. year under	Number of HH/customer reached	Percentage of achievement during the
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# Chapter 3

		benefit	numbers)	review		year
1	Percentage of households living in informal settlements	9386	9386	1640	0	0
2	Percentage of informal settlements that have been provided with basic services	0	1640	0	0	0
3	Percentage of households in formal housing that conforms to the minimum building standards for residential houses	35	0	0	0	0
4	Existence of an effective indigent policy	<b>THE INFORMATION SHOULD BE REFLECTED IN A NARRATIVE FORM</b>				
5	Existence of an approved SDF	The Great Kei Local Municipality Council (GKM) adopted a Spatial Development Framework (SDF) during the 2005/2006 Financial Year. It is against this background that the SDF shall be reviewed with the assistance of Amathole District Municipality (ADM) and the Department of Human Settlements (DoHS), for alignment with 2017/2022 Integrated Development Plan (IDP).				
6	Existence of Land Use Management System (LUMS)	Land Use Management By-laws in place.				

## KPA 3: MUNICIPAL LOCAL ECONOMIC DEVELOPMENT FRAMEWORK

### Annual performance as per key performance indicators in LED

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	Existence of LED unit	Yes	The unit has been run by Acting LED Manager in	100% prior achievement

# Chapter 3

			2017/18.	
2	Percentage of LED Budget spent on LED related activities.	550 000.00	550 000.00	100%
3	Existence of LED strategy	<b>GKM adopted its LED Strategy in September 2014 and is under review</b>		
4	Number of LED stakeholder forum meetings held	4	4	100%
5	Plans to stimulate second economy	Development of Small Town Revitalization Strategy	Small Town Revitalization Strategy has been developed and approved by Council in June 2018.	-
6	Percentage of SMME that have benefited from a SMME support program	4	4	100%
7	Number of job opportunities created through EPWP	200	205-EPWP jobs	100%
8	Number of job opportunities created through PPP (CWP)	200	550	100%

## KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

Annual performance as per key performance indicators in financial viability

No	Indicator name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
1	Percentage expenditure of capital budget	R36 149 000	R 34,372,078	95%
		Target set for the year (35%) R(000)	Achievement level during the year	Achievement percentage during the year vs the

# Chapter 3

			R(000)	operational budget
2	Salary budget as a percentage of the total operational budget	(38,6%) (R46 501 000)	R 42,570,086	91%
		Target set for the year (20% or less) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the actual revenue
3	Trade creditors as a percentage of total actual revenue	(45%) (R96 301 000)	R 14,625,097	15%
		Target set for the year (80% and more) R(000)	Achievement level during the year R(000)	Achievement percentage during the year
4	Total municipal own revenue as a percentage of the total actual budget	(38%) (49 108 612)	R 31,664,024	64,5%
		Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
5	Rate of municipal consumer debt reduction	73% (48 000 000)	R 17,030,141	35% Increase
6	Percentage of MIG budget appropriately spent	R 36,149,000	R 31,225,856	86%
7	Percentage of MSIG budget appropriately spent	N/A	N/A	N/A
8	AG Audit opinion	Unqualified Audit Opinion	Unqualified Audit Opinion	Unqualified Audit Opinion
9	Functionality of the Audit Committee	Functional	Functional	Functional
10	Submission of AFS after the end of financial year	31-Aug-17	31-Aug-17	31-Aug-17

# Chapter 3

## KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	% of ward committees established	70	70	100%
2	% of ward committees that are functional	70	70	100%
3	Existence of an effective system to monitor CDWs	The 4 CDWs.		
4	Existence of an IGR strategy			
5	Effective of IGR structural meetings	IGR meetings seat 4 times a year (quarterly)		
6	Existence of an effective communication strategy	Communication strategy was developed I 2014 and approved in March 2016 and is reviewed on annual basis.		
7	Number of mayoral imbizo's conducted	4	4	100%
8	Existence of a fraud prevention mechanism	The municipality developed and adopted its reviewed fraud and prevention strategy/policy in 2017. The municipality has a complaints/ suggestion box in all offices.		

# Chapter 4

## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

### INTRODUCTION

The objective of Organisational Development is that of ensuring capacity building of employees.

*T 4.0.1*

### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

#### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	Year – 1	Year 0- 2016/17			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Electricity	2	5		3	
Waste Management	46	61		15	
Planning and Human Settlement Housing	4	9		5	
PMU and Roads	5	20		15	
Local Economic Development	0	5		5	
Environmental & Amenities	1	11		10	
Security and Safety	17	8		9	
Corporate Services	17	26		9	
Budget and Treasury Office	27	38		11	
Municipal Manager & Strategic Services	20	41		21	
<b>TOTALS</b>	139	224		142	

**T4.1.1**

# Chapter 4

VACANCY RATE: YEAR 2017/18			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	1	100 %
CFO	1	0	0 %
Other S56 Managers (excluding Finance Posts)	3	0	0 %
Highly skilled Middle Management: level 15 - 17 (excluding Finance posts)	9	3	33 %
Middle Management: level 13 - 17 (Finance posts)	6	1	17 %
<b>Total</b>	<b>20</b>	<b>9</b>	<b>45 %</b>
T4.1.2			

Turn-over Rate				
Details	Total No. of Employees	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year	Turn-over Rate*
Year -2 – 2015/16	151	16	12	8 %
Year-1-2016/17	147	58	11	7 %
Year- 2017/18				
T4.1.3				

## COMMENT ON VACANCIES AND TURNOVER:

*Refer to T 4.1.2*

*Whilst all policies and procedures are in place and being reviewed annually, the financial challenges facing the municipality causes anxiety and brings insecurity to employees thus it is difficult to fill all the existing vacancies in particular with competent and skilful personnel. To those who are within the institution feel in-secured thus turnover though it is not at a high rate*

*T 4.1.4*

# Chapter 4

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

*HR policies have been developed and are reviewed on annual basis (e.g. Recruitment & Selection, Employee Assistance Policy, Retention & Attraction etc. Refer to T4.2.1*

*T 4.2.0*



# Chapter 4

## 4.2 POLICIES

Municipal Policies and Plans				T4.2.1
No	Name of policy	Completed %	Reviewed %	Date adopted by Council or comment on failure to adopt
1.	Acting Allowance Policy	100%	100%	27 June 2017
2.	Employee Assistance Policy	100%	100%	27 June 2017
3.	Telephone Usage Policy for Councillors and Employees	100%	100%	27 June 2017
4.	Placement, Promotion, Demotion and Transfer Policy	100%	100%	27 June 2017
5.	Recruitment and Selection Policy	100%	100%	27 June 2017
6.	Travel and Subsistence Policy	100%	100%	27 June 2017
7.	Bereavement Policy	100%	100%	27 June 2017
8.	Code of Conduct for Staff Members	100%	100%	27 June 2017
9.	Employment Equity Policy	100%	100%	27 June 2017
10.	Training and Development Policy	100%	100%	27 June 2017
11.	Leave Policy	100%	100%	27 June 2017
12.	Overtime Policy	100%	100%	27 June 2017
13.	Rental / Housing Allowance Policy	50%	0%	27 June 2017
14.	Health and Safety Policy	100%	100%	27 June 2017
15.	Car Allowance Policy	100%	100%	27 June 2017

# Chapter 4

Municipal Policies and Plans				T4.2.1
No	Name of policy	Completed %	Reviewed %	Date adopted by Council or comment on failure to adopt
16.	Danger Allowance Policy	100%	100%	27 June 2017
17.	Retention and Attraction Policy	100%	100%	27 June 2017
18.	Performance Management Policy	100%	100%	27 June 2017
19.	Remuneration Policy	100%	100%	27 June 2017
20.	Exit Policy	100%	100%	27 June 2017
21.	Use of Consultants	100%	100%	27 June 2017
22.	SCM policy	100%	100%	27 June 2017
23.	Asset management policy	100%	100%	27 June 2017
24.	Fleet management policy	100%	100%	27 June 2017
25.	Credit control and debt management policy	100%	100%	27 June 2017
26.	Tariffs policy	100%	100%	27 June 2017
27.	Indigent policy	100%	100%	27 June 2017
28.	Petty cash policy	100%	100%	27 June 2017
29.	Cash and investment policy	100%	100%	27 June 2017
30.	Budget process policy	100%	100%	27 June 2017
31.	Virement policy	100%	100%	27 June 2017

# Chapter 4

Municipal Policies and Plans				T4.2.1
No	Name of policy	Completed %	Reviewed %	Date adopted by Council or comment on failure to adopt
32.	Inventory Management	100%	100%	27 June 2017
33.	Fruitless and wasteful ,unauthorised and irregular expenditure policy	100%	100%	27 June 2017
34.	IT Security Policy	100%	100%	27 June 2017
35.	3G Card and Cell phone Policy	100%	100%	27 June 2017
36.	Telephone Management Policy	100%	100%	27 June 2017
37.	Rates Policy	100%	100%	27 June 2017
38.	Backup policy	100%	100%	27 June 2017
39.	Employment Equity Policy	100%	100%	27 June 2017
40.	Training and Development Policy	100%	100%	27 June 2017
41.	Exit Policy	100%	100%	31 <sup>st</sup> May 2016
42.	Use of Consultants	100%	100%	31 <sup>st</sup> May 2016
43.	SCM policy	100%	100%	31 <sup>st</sup> May 2016
44.	Asset management policy	100%	100%	31 <sup>st</sup> May 2016
45.	Fleet management policy	100%	100%	31 <sup>st</sup> May 2016
46.	Credit control and debt management policy	100%	100%	31 <sup>st</sup> May 2016
47.	Tariffs policy	100%	100%	31 <sup>st</sup> May 2016
48.	Indigent policy	100%	100%	31 <sup>st</sup> May 2016
49.	Petty cash policy	100%	100%	31 <sup>st</sup> May 2016
50.	Cash and investment policy	100%	100%	31 <sup>st</sup> May 2016
51.	Budget process policy	100%	100%	31 <sup>st</sup> May 2016

# Chapter 4

Municipal Policies and Plans				T4.2.1
No	Name of policy	Completed %	Reviewed %	Date adopted by Council or comment on failure to adopt
52.	Virement policy	100%	100%	31 <sup>st</sup> May 2016
53.	Inventory Management	100%	100%	31 <sup>st</sup> May 2016
54.	Backup policy	100%	100%	31 <sup>st</sup> May 2016

## COMMENT ON WORKFORCE POLICY DEVELOPMENT:

The financial health position of the municipality has to a certain extent brought administrative instability as number of employees feel in-secured.

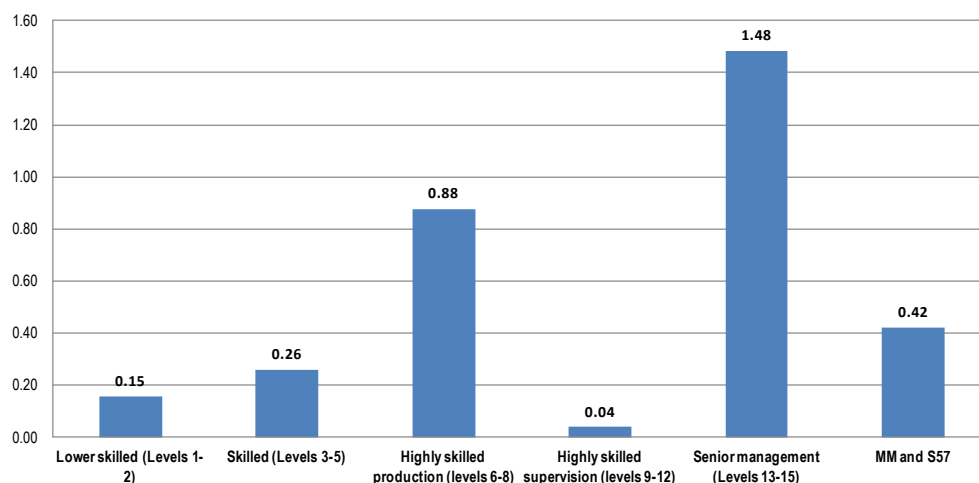
T 4.2.1.1

## 4.3 INJURIES, SICKNESS AND SUSPENSIONS

NUMBER OF DAYS AND COST OF SICK LEAVE (EXCLUDING INJURIES ON DUTY)				
SALARY BAND	TOTAL SICK LEAVE DAYS	PROPORTION OF SICK LEAVE WITHOUT MEDICAL CERTIFICATION	EMPLOYEES USING SICK LEAVE	ESTIMATED COST
LOWER SKILLED (LEVELS 1 – 5)	386	0 %	31	150 926. 00
SKILLED (LEVEL 6-8)	414	0 %	39	278 208. 00
SUPERVISOR (LEVEL 9 – 12)	394	0 %	32	425 126. 00
MIDDLE MANAGER (LEVEL 13 – 17)	69	0 %	13	128 478. 00
MM AND SECTION 56 MANAGERS	11	0 %	3	31 139. 90
TOTALS	1274	0 %	118	1 013 877. 90
				T4.3.2

# Chapter 4

**Average Number of Days Sick Leave (excluding IOD)**



T 4.3.3

## COMMENT ON INJURY AND SICK LEAVE:

Refer to T4.3.2

T 4.3.4

**Number and Period of Suspensions**

Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Practitioner	Misconduct	2018/03/09	Upliftment of Suspension	N/A
Clerical	Misconduct	2018/03/01	Contract Expired	N/A
				T 4.3.5

# Chapter 4

## 4.4 PERFORMANCE REWARDS

4.4 PERFORMANCE REWARDS				
PERFORMANCE REWARDS BY GENDER				
DESIGNATIONS	GENDER	TOTAL NUMBER OF EMPLOYEES IN GROUP	NUMBER OF BENEFICIARIES	EXPENDITURE ON REWARDS – YEAR 1
MM and Section 56 Managers	2 x Males	2	0	
	2x Females	2	0	
Total		4	0	

### COMMENT ON PERFORMANCE REWARDS:

For the year under review there have been no performance rewards awarded to Section 56 Managers owing to the fact that they joined the municipality in the middle of the financial year and financial position of the municipality further limits managers to exercise that benefit.

*T 4.4.1.1*

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

To address workforce capacity development, the municipality has developed the following policies:

Training and development policy  
Promotion, demotion and transfer policy  
Retention and attraction policy  
Performance management policy

*T 4.5.0*

# Chapter 4

## 4.5 SKILLS DEVELOPMENT AND TRAINING

**Skills Matrix**

Management level	Gender	Employees in post as at 30 June Year 2016/17	Number of skilled employees required and actual as at 30 June Year 2016/17											
			Learnerships			Skills programs & other short courses			Other forms of training/Workshops			Total		
		No.	Actual: 2015/16	Actual: 2016/17	Year 2016/17 Target	Actual: 2015/16	Actual: 2016/17	Year 2016/17 Target	Actual: 2015/16	Actual: 2016/17	Year 2016/17 Target	Actual: 2015/16	Actual: 2016/17	Year 2016/17 Target
MM and s57	Female	1		0	0		0	0		0	0		0	0
	Male	2		0	0		0	1		1	1		1	2
Councillors, senior officials and managers	Female	14		3	4		0	9		9	9		12	22
	Male	11		4	4		0	7		5	5		9	16
Technicians and associate professionals*	Female	4		0	0		0	2		0	0		0	2
	Male	6		0	1		2	1		0	0		2	2
Professionals	Female	18		3	3		4	4		4	4		11	11
	Male	10		0	0		2	6		1	1		3	7
Clerk's	Female	25		7	7		6	11		8	4		21	22

# Chapter 4

	Male	11		0	0		0	1		0	0		0	1
Service and Sales Workers	Female	7		0	0		0	5		8	0		8	5
	Male	12		0	0		0	0		0	0		0	0
Skilled Workers	Female	0		0	0		0	0		0	0		0	0
	Male	2		0	0		0	0		0	0		0	0
Plant and Machinery	Female	0		0	0		0	0		0	0		0	0
	Male	9		0	0		0	0		0	0		0	0
Elementary Occupation	Female	18		7	9		0	0		0	0		0	9
	Male	19		7	11		0	0		0	0		7	11
Sub total	Female	87		20	23		4	31		26	17		50	71
	Male	82		11	16		4	16		7	7		22	39
Total		169	0	31	49	0	8	47	0	32	24	0	71	114
*Registered with professional Associate Body e.g. CA (SA)														T 4.5.1



# Chapter 4

Financial Competency Development: Progress Report*						
<b>Description</b>	<b>A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))</b>	<b>B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))</b>	<b>Consolidated : Total of A and B</b>	<b>Consolidated : Competency assessments completed for A and B (Regulation 14(4)(b) and (d))</b>	<b>Consolidated : Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))</b>	<b>Consolidated : Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))</b>
<b>Financial Officials</b>	<b>31</b>	<b>0</b>	<b>31</b>	<b>16</b>	<b>0</b>	<b>16</b>
<i>Accounting officer</i>	1	0	1	1	1	1
<i>CFO</i>	1	0	1	1	1	1
<i>Senior managers</i>	1	0	1	1	1	1
<i>Any other financial officials</i>	16	0	16	16	0	16
<b>SCM Officials</b>	<b>5</b>	<b>0</b>	<b>5</b>	<b>4</b>	<b>0</b>	<b>4</b>
<i>Heads of SCM units</i>	1	0	1	1	1	1
<i>SCM senior managers</i>	1	0	1	1	1	1
<b>TOTAL</b>	<b>23</b>	<b>0</b>	<b>23</b>	<b>23</b>	<b>3</b>	<b>23</b>
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)						T 4.5.2

# Chapter 4

Skills Development Expenditure										
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 2016/17							
			Learnerships		Skills programs & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	1	R600 000.00							
	Male	2								
Legislators, senior officials and managers	Female	14		R 47 880.00						R 47 880.00
	Male	11		R 158 880.00						R 158 880.00
Professionals	Female	18		R33 223.00						R33 223.00
	Male	10				R7 625.00				R7 625.00
Technicians and associate professionals	Female	4								
	Male	6				R34 067.36				R34 067.36
Clerks	Female	25		R 199 728.00		R26 875.00				R26 875.00
	Male	11								
Service and sales workers	Female	25								
	Male	11								
Service and sales workers	Female	7								
	Male	12								
Skilled workers	Female	0								
	Male	2								
Elementary	Female	18								

# Chapter 4

<b>occupati ons</b>	Male	19							
<b>Sub total</b>	Fem ale	87		R81 103.00		R3450 0.00			
	Male	82		R 158 880.00	Nil	R34 067.36	Nil	Nil	308 550.36
<b>Total</b>		169	R600 000.00	R39 983.00	0	R68 567.36	0	0	
<b>*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.</b>									%* R 308 550.36
									T4.5.3

## COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

The Municipality is mandated by Training and Development Act to submit Annual Training report to develop and submit the Workplace skills Plan (WSP) to Local Government SETA by 30<sup>th</sup> of April each year. After submission of WSP and Annual Training Plan the Municipality is entitled to claim mandatory grant as the levy paying organisation and the grant is used for training of Councillors and Employees. Over and above that there is an amount that is budgeted by the municipality for trainings for each financial year.

T 4.5.4

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

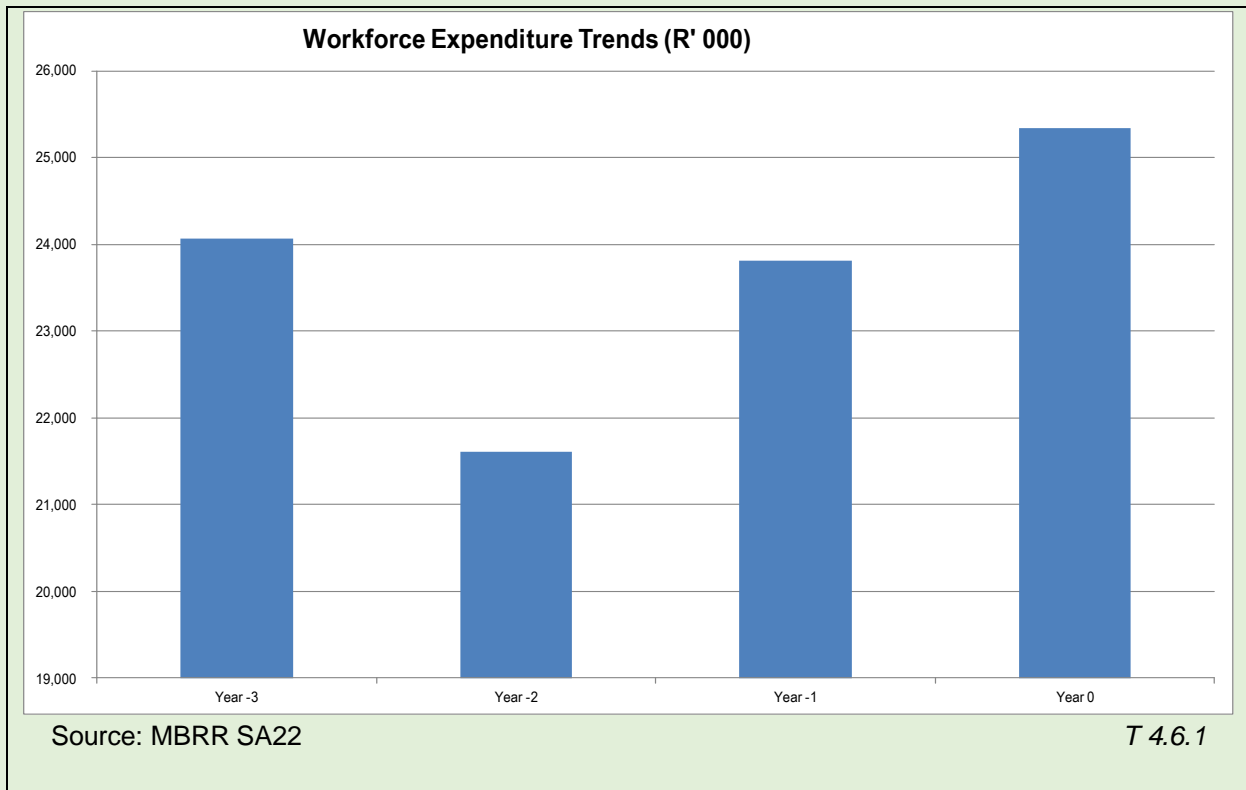
### INTRODUCTION TO WORKFORCE EXPENDITURE

The municipality's budget on employee related costs is based on the funded organogram which is linked to task grades. The municipality therefore spend according to the budgeted work force and monthly reports are submitted to check if there are any huge budget variances. The municipality has from previous years implemented competitive salaries which has attracted more skilled and talented staff and in turn increased the salary bill.

T 4.6.0

# Chapter 4

## 4.6 EMPLOYEE EXPENDITURE



### COMMENT ON WORKFORCE EXPENDITURE:

The municipality spend according to the approved budget. The work force spending varies from one year to the next due to the increase in the budget for employee related costs. The increase is influenced by negotiations in the Bargaining Council; HR Related policies and/or inflation rate.

T 4.6.1.1

### DISCLOSURES OF FINANCIAL INTERESTS

Refer AFS

T 4.6.6

# Chapter 5

## CHAPTER 5 – FINANCIAL PERFORMANCE

### INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

The municipality make use of consultants for certain services where the municipality does not have the expertise or capacity to perform that service. The use of consultants is very limited as the municipality has taken an approach of capacitating its staff and reduce the use of consultants. The consultants used in the current year were mainly in the following areas: *professional services for construction of roads, maintenance of the Infrastructure Asset Register, Internal Audit Support and Compilation of Financial Statements.*

T 5.0.1

## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

### INTRODUCTION TO FINANCIAL STATEMENTS

*Note: Statements of Revenue Collection Performance by vote and by source are included at **Appendix K***

The annual financial statements have been prepared in accordance with Standards of Generally Recognized Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates. This component provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

T 5.1.0

# Chapter 5

## 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

### Reconciliation of Table A1 Budget Summary

Description	Year 0											Year -1			
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousands	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>Financial Performance</b>															
Property rates	17 000	7 516	24 516	-		24 516	23 727		(789)	96.78	-4.64				22 787
Service charges	13 230	4 223	17 453	-		17 453	16 831		(622)	96.43	-4.70				15 640
Investment revenue	518	(304)	214	-		214	111		(103)	51.83	-19.92				319
Transfers recognised - operational	39 036	(70)	38 966	-		38 966	44 478		5 512	114.14	14.12				44 804
Other own revenue	39 602	(16 446)	23 156			23 156	9 052		(14 104)	39.09	-35.62				8 915
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>109 387</b>	<b>(5 081)</b>	<b>104 305</b>			<b>104 305</b>	<b>94 198</b>		<b>(10 107)</b>	<b>90.31</b>	<b>-9.24</b>				<b>92 465</b>
Employee costs	59 948	(4 594)	55 355	-		55 355	50 636		(4 719)	91.48	-7.87				48 740
Remuneration of councillors	4 395	264	4 659	-		4 659	4 137		(522)	112.6	-11.88				4 157
Debt impairment	-	-	-			-	-		-	-	-				10 237
Depreciation & asset impairment	15 000	-	15 000			15 000	17 103		2 103	0	114.01764				21 542
Finance charges	664	-	664	-	-	664	3 076		2 412	463.2	463.2				2 430
Materials and bulk purchases	8 814	-	8 814	-	-	8 814	8 378		(436)	95.05	95.05				8 497
Transfers and grants	-	-	-	-	-	-	-		0	0	0				-
Other expenditure	38 221	-	42 153	-	-	42 153	46 812		4 659	111.05	12.19				64 052
<b>Total Expenditure</b>	<b>127 043</b>	<b>(4 330)</b>	<b>126 644</b>	-	-	<b>126 644</b>	<b>130 141</b>		<b>3 497</b>	<b>102.76</b>	<b>2.75</b>				<b>159 655</b>
<b>Surplus/(Deficit)</b>	<b>(17 656)</b>	<b>(751)</b>	<b>(22 339)</b>	-		<b>(22 339)</b>	<b>(35 943)</b>		<b>(13 604)</b>	<b>60.90</b>	<b>77.05</b>				<b>(67 191)</b>
Transfers recognised - capital	15 371	-	15 371	-		15 371	14 699		(672)	95.63	95.63				16 028
Contributions recognised - capital & contributed assets	-	-	-			-	-								-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>															
Share of surplus/ (deficit) of associate			-			-									
<b>Surplus/(Deficit) for the year</b>	<b>(2 285)</b>	<b>(751)</b>	<b>(6 968)</b>	-		<b>(6 968)</b>	<b>(21 244)</b>		<b>(14 276)</b>	<b>204.88</b>	<b>929.60</b>				<b>(51 163)</b>
<b>Capital expenditure &amp; funds sources</b>															
<b>Capital expenditure</b>															
Transfers recognised - capital	15 464	(600)	14 864	-		14 864	13 505		(1 359)	-9.15	87.33				13 473
Public contributions & donations	-	-	-	-		-	-		0	0	0				-
Borrowing	-	-	-	-		-	-		0	0	0				-
Internally generated funds	2 250	(1 500)	750	-		750	7 772		7 022	1036.23	312.08				168
<b>Total sources of capital funds</b>	<b>17 714</b>	<b>(2 100)</b>	<b>15 614</b>	-		<b>15 614</b>	<b>21 277</b>		<b>5 662</b>	<b>136.26</b>	<b>120.11</b>				<b>13 641</b>
<b>Cash flows</b>															
Net cash from (used) operating	24 965	(22 658)	2 307	-		2 307	22 760		20 453	986.59	81.93				11 224
Net cash from (used) investing	(17 714)	2 100	(15 614)	-		(15 614)	(21 277)		(5 662)	136.26	31.96				(13 641)
Net cash from (used) financing	(250)	-	(250)	-		(250)	(672)		(422)	268.74	168.74				-
<b>Cash/cash equivalents at the year end</b>	<b>7 001</b>	<b>(20 558)</b>	<b>(13 557)</b>			<b>(13 557)</b>	<b>550</b>		<b>14 108</b>	<b>-4.06</b>	<b>201.52</b>				<b>2 156</b>

T 5.1.1

# Chapter 5

Financial Performance of Operational Services						
R '000						
Description	Year -1	Year 0			Year 0 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
<b>Operating Cost</b>						
Water	–	–	–	–	0.00%	0.00%
Waste Water (Sanitation)	–	–	–	–	0.00%	0.00%
Electricity	11 300	12 114	12 321	28 443	57.41%	56.68%
Waste Management	6 242	7 776	7 540	9 462	17.81%	20.31%
Housing	–	–	–	–	0.00%	0.00%
Component A: sub-total	17 542	19 891	19 861	37 905	47.52%	47.60%
Waste Water (Stormwater Drainage)	–	–	–	–	0.00%	0.00%
Roads	11 047	12 145	11 599	11 478	-5.81%	-1.06%
Transport	–	–	–	–	0.00%	0.00%
Component B: sub-total	11 047	8 455	8 624	9 554	11.50%	9.73%
Planning(MM)	8 521	6 677	6 542	7 117	6.17%	8.07%
Local Economic Development	3 919	7 566	6 559	4 635	-63.25%	-41.52%
Component B: sub-total	12 440	14 243	13 101	11 751	-21.21%	-11.49%
Planning (Strategic & Regulatory)	–	–	–	–	0.00%	0.00%
Local Economic Development	–	–	–	–	0.00%	0.00%
Component C: sub-total	–	–	–	–	0.00%	0.00%
Community & Social Services	2 385	2 528	2 593	1 415	-78.64%	-83.23%
Environmental Protection	–	–	–	–	0.00%	0.00%
Health	–	–	–	–	0.00%	0.00%
Security and Safety	2 068	3 512	3 174	2 658	0.00%	0.00%
Sport and Recreation	–	–	–	–	0.00%	0.00%
Corporate Policy Offices and Other	14 590	12 067	14 772	11 871	-1.65%	-24.44%
Component D: sub-total	19 043	18 107	20 540	15 945	-13.56%	-28.82%
<b>Total Expenditure</b>	<b>60 072</b>	<b>60 697</b>	<b>62 127</b>	<b>75 155</b>	<b>19.24%</b>	<b>17.34%</b>
In this table operational income is offset against operational expenditure leaving a net operational expenditure						7 5.1.2

# Chapter 5

COMMENT ON FINANCIAL PERFORMANCE:

**Delete Directive note once comment is completed** – Comment on variances above 10%.

T5.1.3

## 5.2 GRANTS

Grant Performance						
						R' 000
Description	Year -1	Year 0			Year 0 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
<b>Operating Transfers and Grants</b>						
<b>National Government:</b>	<b>58 490</b>	<b>53 976</b>	<b>53 927</b>	<b>53 302</b>		
Equitable share	39 452	34 997	34 948	34 997	100	100.1390821
Municipal Infrastructure Grant	12 023	11 371	11 371	11 369	0	0
Finance Management	2 010	2 345	2 345	2 343	100	99.90887633
EPWP Incentive	1 000	1 263	1 263	1 263	100	99.99504671
Integrated National Electrification Programme	4 005	4 000	4 000	3 330	83	83.259154
<b>Provincial Government:</b>	<b>2 342</b>	<b>431</b>	<b>410</b>	<b>5 875</b>		
Treasury Grant	1 931	–	–	5 464		
IEC Grant	1	–	–	1		
Sports and Recreation	410	431	410	410	95	100
<b>District Municipality:</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		
[insert description]						
<b>Other grant providers:</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		
[insert description]						
<b>Total Operating Transfers and Grants</b>	<b>60 832</b>	<b>54 407</b>	<b>54 337</b>	<b>59 177</b>		
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.						T 5.2.1



# Chapter 5

## COMMENT ON OPERATING TRANSFERS AND GRANTS:

There are no variances in grants received the municipality received all the Gazetted allocations for the financial year. Conditional grants were fully spent at the end of the financial year with the exception of Integrated National Electrification program which has a balance of R 669 000 at the end of the financial year.

T 5.2.2

T 5.2.3 N/A

## COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

There were no other conditional grants received from other sources

T 5.2.4

## 5.3 ASSET MANAGEMENT

### INTRODUCTION TO ASSET MANAGEMENT

The municipality has an asset policy that is to facilitate the effective management control and maintenance. The following are the key objectives of the policy:

- Ensure the accurate recording of asset information
- The accurate recording of asset movement
- Excising strict physical control over all the assets
- Provide correct and meaningful information
- Ensure that insurance is provided for all assets
- Ensure maintenance of Council assets
- Also makes provisions for asset disposals

T 5.3.1

### TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0

Asset 1	
Name	High Mast Lights
Description	
Asset Type	Public Lighting Electricity

# Chapter 5

Key Staff Involved	Manager Infrastructure			
Staff Responsibilities				
Asset Value	Year -3	Year -2	Year -1	Year 0
				587,473.63
Capital Implications				
Future Purpose of Asset	Public Lighting in Siviwe Location			
Describe Key Issues				
Policies in Place to Manage Asset	Yes			
Asset 2				
Name	Access Road to Zone 10			
Description	Gravel Road			
Asset Type	Access Road			
Key Staff Involved	Manager Infrastructure			
Staff Responsibilities				
Asset Value	Year -3	Year -2	Year -1	Year 0
				1,362,882.00
Capital Implications				
Future Purpose of Asset	Linking of Zone 10 community to services			
Describe Key Issues				
Policies in Place to Manage Asset	Yes			
Asset 3				
Name	Refuse Truck			
Description	Cage Truck			
Asset Type	Transport Assets			
Key Staff Involved	Manager Community Services			
Staff Responsibilities				
Asset Value	Year -3	Year -2	Year -1	Year 0
				511,276.00
Capital Implications				
Future Purpose of Asset	Refuse Collection			
Describe Key Issues				
Policies in Place to Manage Asset	Yes			
				T 5.3.2

# Chapter 5

## COMMENT ON ASSET MANAGEMENT:

**Delete Directive note once comment is completed** – With reference to the three projects approved in the year, set out above, describe how these projects were evaluated from a cost and revenue perspective, including Municipal tax and tariff implications (See MFMA section 19 (2) (a) & (b) and MSA section 74 (2) (d), (e) & (i)). Ensure that these projects are maintained on files that are readily accessible for audit inspection. Financial data regarding asset management may be sourced from **MBRR Table A9**

T 5.3.3

Repair and Maintenance Expenditure: Year 0				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	3445	3505	1792	48%

T 5.3.4

## COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

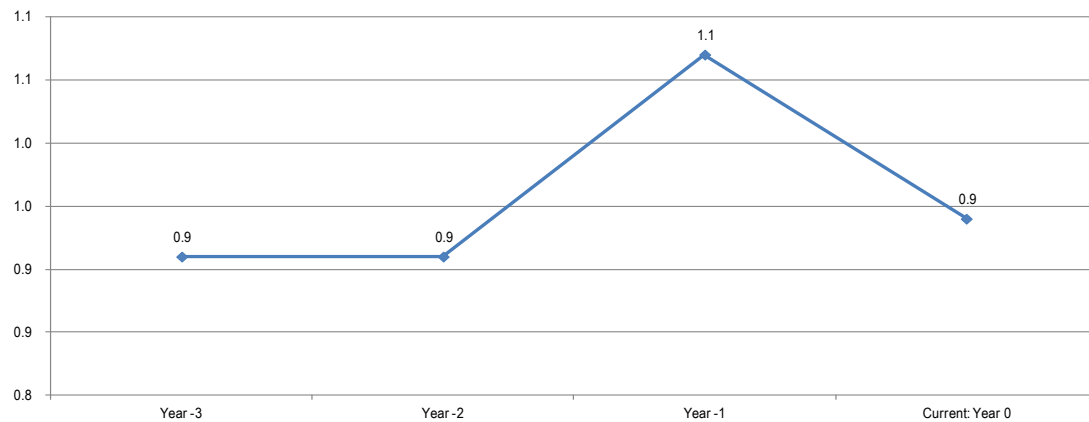
The Municipality has budgeted for Repairs and Maintenance at less than 8% of the PPE which is not in line with National Treasury Norms due to cash flow constraints. The actual expenditure is less because of other resources being used internally to reduce the weight on the cash flow. The municipality has also used the EPWP casuals to carry out some of the repairs required for roads.

T 5.3.4.1

## 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

# Chapter 5

## Liquidity Ratio

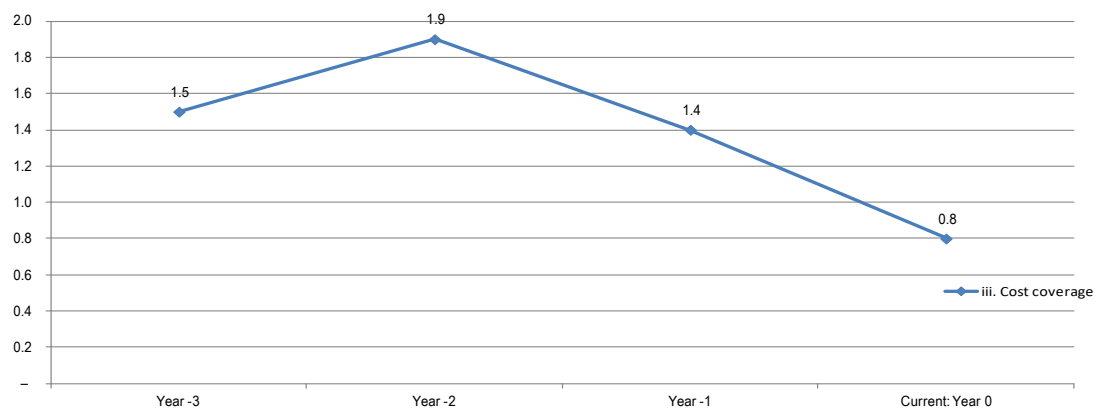


Liquidity Ratio – Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets (due within one year ) by the municipality's current liabilities. A higher ratio is better.

Data used from MBRR SA8

T 5.4.1

## Cost Coverage



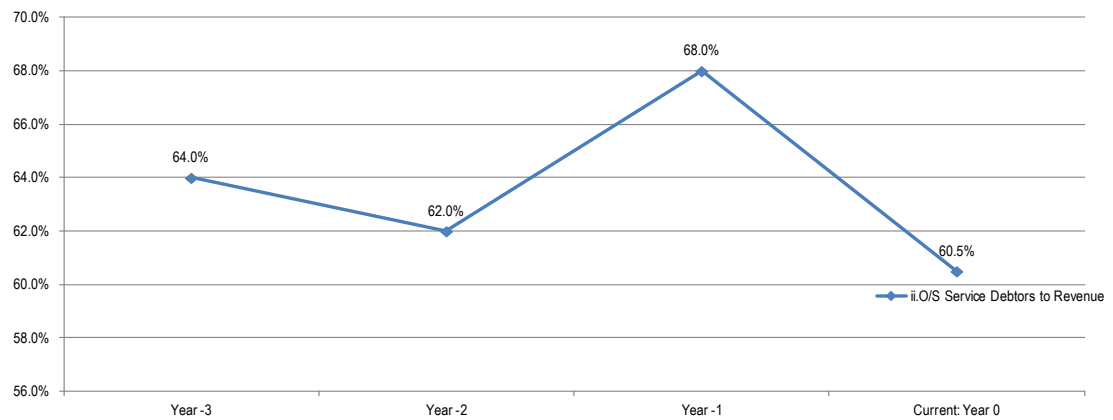
Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

Data used from MBRR SA8

T 5.4.2

# Chapter 5

## Total Outstanding Service Debtors

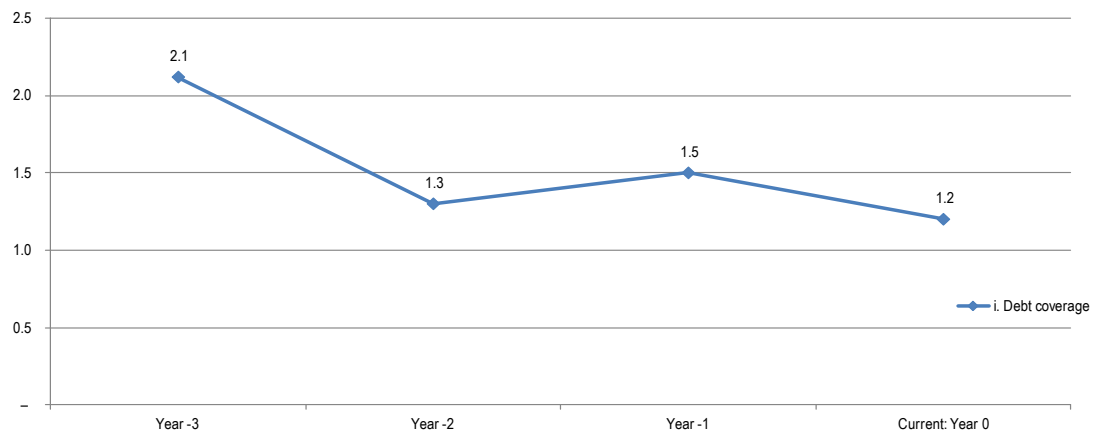


Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

Data used from MBRR SA8

T 5.4.3

## Debt Coverage



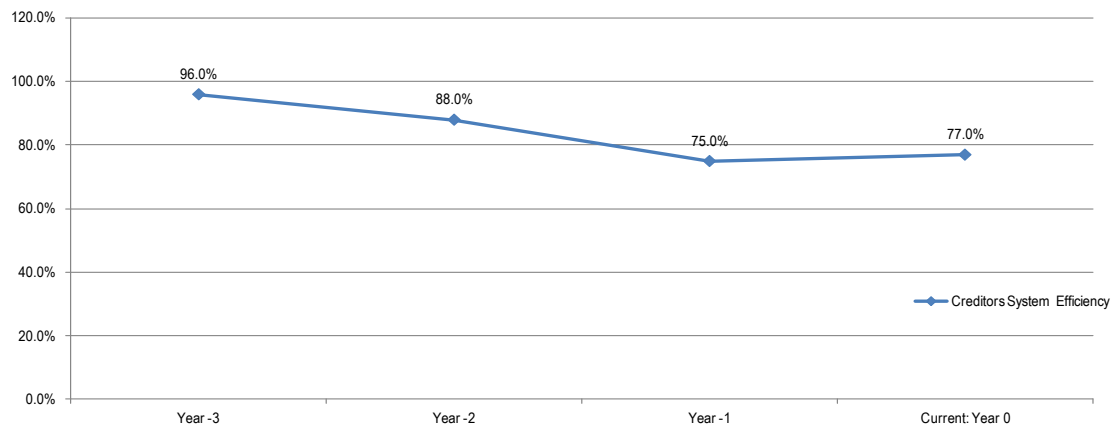
Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accommodated by the municipality

Data used from MBRR SA8

T 5.4.4

# Chapter 5

## Creditors System Efficiency

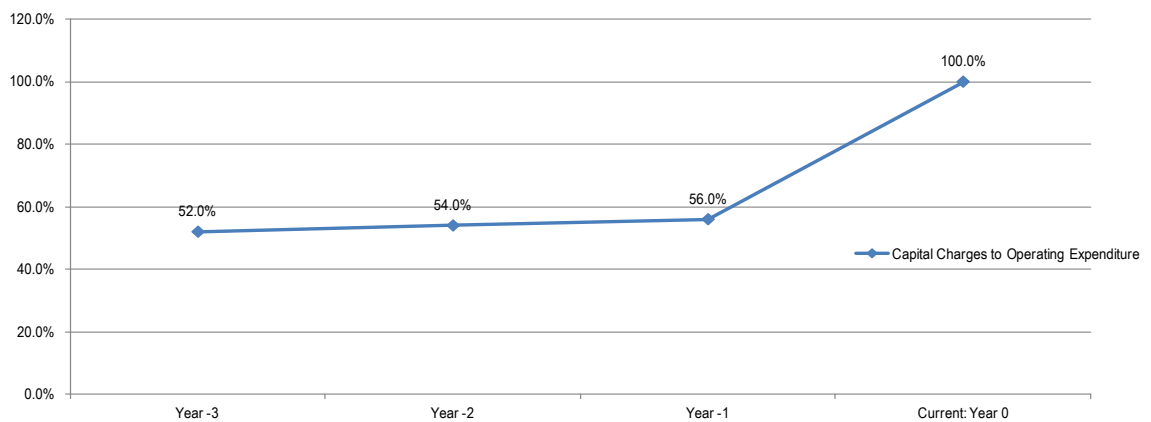


Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

T 5.4.5

## Capital Charges to Operating Expenditure



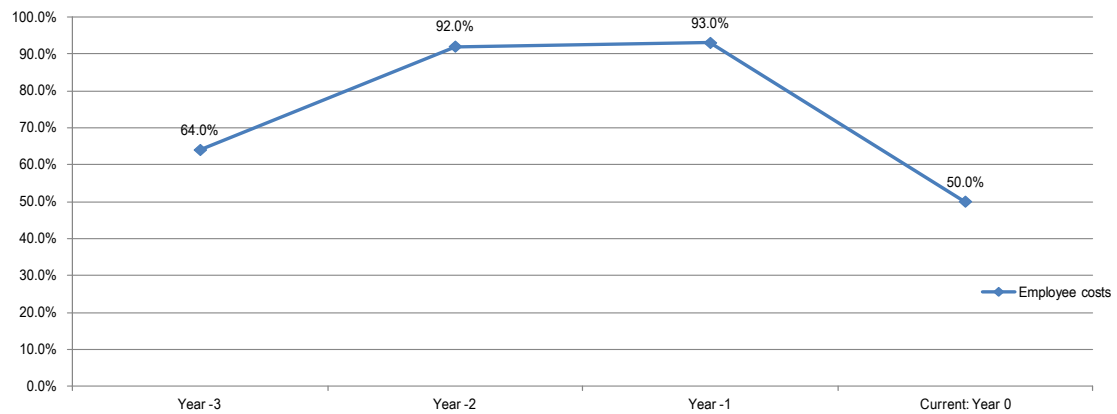
Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

T 5.4.6

# Chapter 5

## Employee Costs

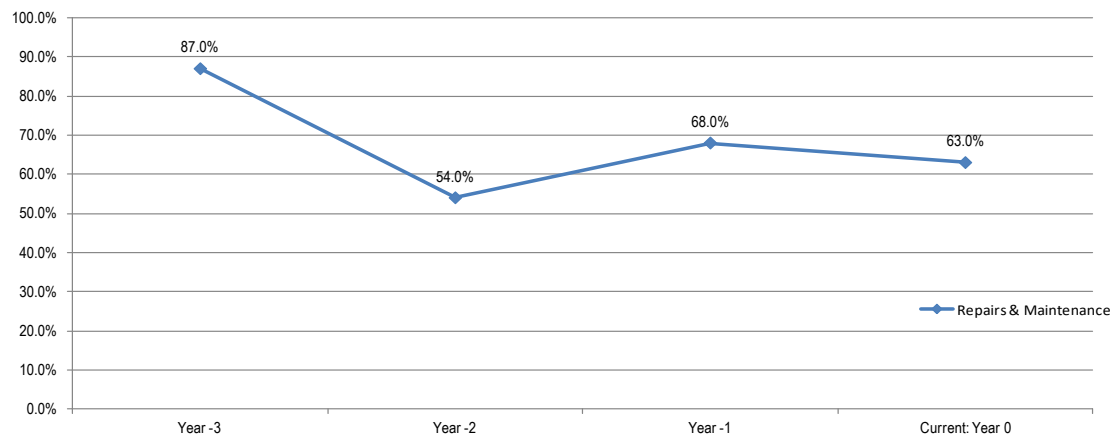


Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

T 5.4.7

## Repairs & Maintenance



Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.

Data used from MBRR SA8

T 5.4.8

# Chapter 5

## COMMENT ON FINANCIAL RATIOS:

The financial health of the municipality has showed steady progress over the past years however is still struggling on cash flow due to increasing expenses and historic debts. Various revenue strategies have been used including the implementation of financial recovery plan, credit control policy, in spite of all this the municipality is still struggling financially. The liquidity ratio of the municipality is less than the norm at 0.6 which means the municipality is struggling to pay its creditors on time. The number of days for debtors has not changed compared to last year but creditors payments has not improved either this year due to cash flow constraints. The portion of revenue used to fund employee costs has reduced by 1% compared to last year because vacant funded positions were not filled and employees who have resigned were not replaced due to financial constraints.

T 5.4.9

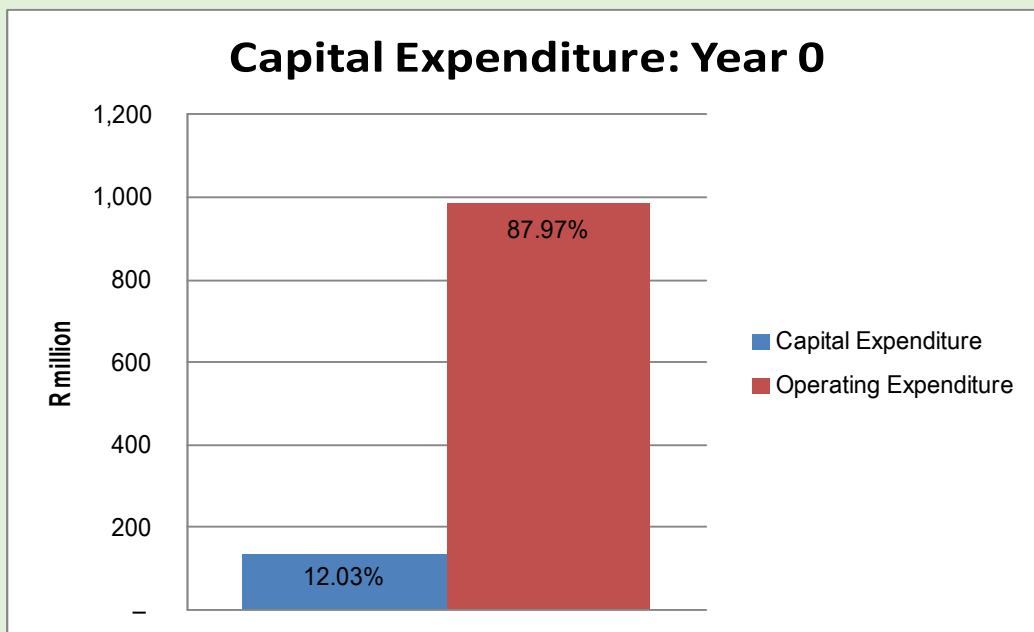
## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

The budget for capital expenditure is mostly funded by the Municipal Infrastructure Grant. The municipality has limited budget from its own revenue to fund capital projects because of other operation requirements that are increasing. The capital projects are as per the approved IDP

T 5.5.0

## 5.5 CAPITAL EXPENDITURE





# Chapter 5

T 5.5.1

## 5.6 SOURCES OF FINANCE

### Capital Expenditure - Funding Sources: Year -1 to Year 0

R' 000

Details		Year -1	Year 0				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
<b>Source of finance</b>							
	External loans	0	0	0	0	0.00%	0.00%
	Public contributions and donations	0	0	0	0	0.00%	0.00%
	Grants and subsidies	13473	15464	14864	13505	-3.88%	-12.67%
	Other	168	2250	750	7772	-66.67%	245.42%
<b>Total</b>		<b>13641</b>	<b>17714</b>	<b>15614</b>	<b>21277</b>	<b>-70.55%</b>	<b>232.75%</b>
<b>Percentage of finance</b>							
	External loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Grants and subsidies	98.8%	87.3%	95.2%	63.5%	5.5%	-5.4%
	Other	1.2%	12.7%	4.8%	36.5%	94.5%	105.4%
<b>Capital expenditure</b>							
	Water and sanitation					0.00%	0.00%
	Electricity	4005	4000	4000	3330	0.00%	-16.75%
	Housing	0	0	0	0	0.00%	0.00%
	Roads and storm water	12023	11371	11371	11369	0.00%	-0.02%
	Other	-2387	3500	3450	6578	-1.43%	87.94%
<b>Total</b>		<b>13641</b>	<b>18871</b>	<b>18821</b>	<b>21277</b>	<b>-1.43%</b>	<b>71.18%</b>
<b>Percentage of expenditure</b>							

# Chapter 5

	Water and sanitation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Electricity	29.4%	21.2%	21.3%	15.7%	0.0%	-23.5%
	Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Roads and storm water	88.1%	60.3%	60.4%	53.4%	0.0%	0.0%
	Other	-17.5%	18.5%	18.3%	30.9%	100.0%	123.6%
							<i>T 5.6.1</i>

## COMMENT ON SOURCES OF FUNDING:

Capital projects were funded through conditional grant, all expenditure is according to the grant conditions. The allocations was fully spent with the exception of projects funded form Integrated National Electrification Grants and only small percentage relating to retention monies not yet due that was not paid by the end of the financial year. Graph 5.5.1 depicts that the municipality spends most of its budget on operational expenditure compared to capital expenditure with the employee related cost as cost driver.

*T 5.6.1.1*

## 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current: Year 0			Variance: Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - Qumrha Elderly Multi-Purpose Centre	2 600 000	2 600 000	2 567 931	1%	0%
B - Magrangxeni Internal Streets	3 644 250	3 644 250	2 653 933	27%	0%
C - Sotho Disability Multi-Purpose Centre	2 600 000	2 600 000	2 253 555	13%	0%
D - Tembalethu Peace Village Internal Street	2 000 000	2 000 000	1 744 461	13%	0%
E - Electrification	4 000 000	4 000 000	3 330 366	17%	0%

## COMMENT ON CAPITAL PROJECTS:

**Refer to Chapter 3**

*T 5.7.1.1*

# Chapter 5

## 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

### INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

**Delete Directive note once comment is completed** – Explain that need and cost of backlogs are the result of migration into an area; migration out of an area; the trend towards disaggregation of families into more than one housing unit; and the cost of renewing and upgrading core infrastructure. Explain how this balance effects net demand in your municipality and how your municipality is responding to the challenges created.

T 5.8.1

Service Backlogs as at 30 June Year 0				
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water		%		%
Sanitation		%		%
Electricity		%		%
Waste management		%		%
Housing		%		%
% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.				

T 5.8.2

Capital Expenditure Year 2016/17: Road Services					
					R' 000
Capital Projects	Year 2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	3 481 176.00	3 481 176.00	3 180 185.66	0	3 481 176
<b>Old location internal streets</b>	1 740 588.00	1 740 588.00	1 688 353.12	0	1 740 588.00
<b>Bhola internal streets</b>	1 740 588.00	1 740 588.00	1 330 395.08	0	1 740 588.00

T 5.8.3.

# Chapter 5

## COMMENT ON BACKLOGS:

**Delete Directive note once comment is completed** - Comment on how MIG grants have been utilized to redress the backlogs and on the variances in T 5.8.3. If appropriate, comment that **Appendix P** contains details of schools and clinics that have been established that do not have ready access to one or more basic services and **Appendix Q** contains details of those services provided by other spheres of government (whether the municipality is involved on an agency basis or not) that carry significant backlogs.

T 5.8.4

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The Municipality is aware of its cash flow challenges and in that has put in place some control measure in the form setting realistic monthly cash flow projections to ensure that there is a proper monitoring between inflow and outflow of cash in the municipal main bank account. A payment plan is in place to manage the payment of creditors and the deployment of robust debt collection processes. The Municipality has required services of a debt collector which has contributed in the improvement of collection rate. A financial recovery plan has also been developed and implemented within the municipality as means of improving municipal cash flow.

The Municipality is grant dependent with the Equitable Share making up its biggest revenue source on the budget. With the decrease in grants on the outer years this then impels the municipality to identify new revenue sources and increase revenue collection strategies so as to meet its operational demands. Cost cutting measures were also applied within the municipality to assist in reducing spending on nice to haves and focus on service delivery based projects.

T 5.9

Cash Flow Outcomes				
				R'000
Description	Year -1	Current: Year 0		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other	36 510	64 019	46 329	41 308
Government - operating	44 848	39 036	38 966	44 478
Government - capital	16 028	15 371	15 371	14 699
Interest	6 623	6 332	1 396	5 397
Dividends	–	–	–	–
<b>Payments</b>				

# Chapter 5

Suppliers and employees	(90 356)	(99 379)	(99 341)	(92 653)
Finance charges	(2 430)	(414)	(414)	(7 395)
Transfers and Grants	–	–	–	–
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>11 224</b>	<b>24 965</b>	<b>2 307</b>	<b>5 834</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	–	–	–	–
Decrease (Increase) in non-current debtors	–	–	–	–
Decrease (increase) other non-current receivables	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–
<b>Payments</b>				
Capital assets	(13 641)	(17 714)	(15 614)	(5 045)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(13 641)</b>	<b>(17 714)</b>	<b>(15 614)</b>	<b>(5 045)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short term loans	–	–	–	–
Borrowing long term/refinancing	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–
<b>Payments</b>				
Repayment of borrowing	–	(250)	(418)	500
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>–</b>	<b>(250)</b>	<b>(418)</b>	<b>500</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(2 417)</b>	<b>7 001</b>	<b>(13 725)</b>	<b>1 289</b>
Cash/cash equivalents at the year begin:	21 005	4 299	4 299	289
Cash/cash equivalents at the year end:	2 156	11 300	(9 426)	1 577
Source: MBRR A7				T 5.9.1

## 5.9 CASH FLOW

### COMMENT ON CASH FLOW OUTCOMES:

The cash flow outcome reflects that all grants and subsidies budgeted for in the current year were received in full further to that National Treasury has paid more than 5,4 million against AGSA debts. A 93% has been received from rates and other services offered within the municipality. The municipality had an overdraft of R6million which it has been able to repay within the financial year, however payment of salaries and creditors on time remain a huge challenge. The municipality has developed and implemented a financial recovery plan to assist improve its financial crisis.

**Table A7 of the MBRR.**

T 5.9.1.1

# Chapter 5

## 5.10 BORROWING AND INVESTMENTS

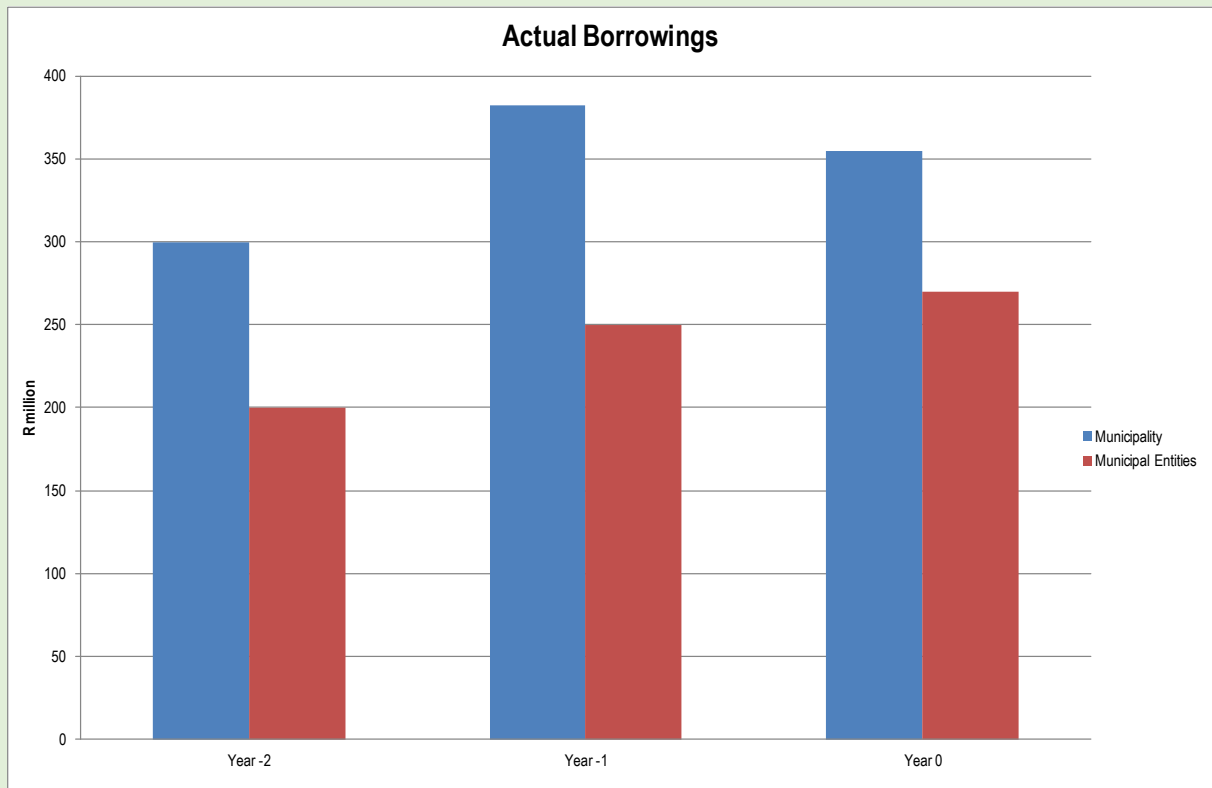
### INTRODUCTION TO BORROWING AND INVESTMENTS

The municipality had secured one long-term loan with DBSA which is paid quarterly. The loan term will expire in 2019. There were no additional loans in the year under review. The municipality has investments in the form of call deposits which consist of government grants and subsidies not yet used and we also keep our surpluses. All these accounts are with Standard Bank the municipality's primary banker. The funds are readily available for use.

T 5.10.1

Actual Borrowings: Year -2 to Year 0			
	R' 000		
Instrument	Year -2	Year -1	Year 0
<b>Municipality</b>			
Long-Term Loans (annuity/reducing balance)	1971	53	2001
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
<b>Municipality Total</b>	<b>1 971</b>	<b>53</b>	<b>2 001</b>

# Chapter 5



*T 5.10.3*

# Chapter 5

Municipal and Entity Investments			
	R' 000		
Investment* type	Year -2	Year -1	Year 0
	Actual	Actual	Actual
<b><u>Municipality</u></b>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	331	1071	20104
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
<b>Municipality sub-total</b>	<b>331</b>	<b>1071</b>	<b>20104</b>



# Chapter 5

## COMMENT ON BORROWING AND INVESTMENTS:

The municipality has no reserves in place but only investments in the form of call deposit which yield interest on monthly basis.

The municipality has secured one long term loan with DBSA which is payable quarterly.

*T 5.10.5*

## 5.11 PUBLIC PRIVATE PARTNERSHIPS

### PUBLIC PRIVATE PARTNERSHIPS

There were no PPP agreements undertaken during the 2017/18 financial year.

*T 5.11.1*

## COMPONENT D: OTHER FINANCIAL MATTERS

## 5.12 SUPPLY CHAIN MANAGEMENT

### SUPPLY CHAIN MANAGEMENT

The Supply Chain Management unit is in full operation, and consists of qualified individuals. Administratively it reports to the Chief Financial Officer. All functions contained under the legislative mandate of the Supply Chain Management are fully implemented considering the number of employees in that section; the SCM Unit consists of Supply Chain Manager, Accountant - Assets, Accountant SCM, Assistant Accountant – SCM and Stores Clerk. The SCM Manager, Accountant SCM and Assistant Accountant SCM are compliant with MFMA minimum competency levels for SCM officials, There were no material findings reported for SCM in the 2017/18 financial year.

*T 5.12.1*

# Chapter 5

## 5.13 GRAP COMPLIANCE

### GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

*T 5.13.1*

# Chapter 6

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

### INTRODUCTION

The municipality has prepared Financial Statements in compliance with MFMA sec 122 and submitted to Auditor General on the 31 August 2017. The financial standing of the municipality has improved over the years. This was achieved through strengthening of internal controls, putting processes in place and correcting of prior year errors. This is evidenced by the improved audit outcome from disclaimer to unqualified Audit opinion in in the 2015/16 financial year and a reduction in the number of qualifying paragraphs. In the current financial year the Municipality achieved an unqualified audit opinion with emphasis of matter.

T 6.0.1

## COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR -1

### 6.1 AUDITOR GENERAL REPORTS YEAR -1 (PREVIOUS YEAR)

Auditor-General Report on Financial Performance: Year -1	
<b>Audit Report Status*:</b>	
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
Money owed by the municipality was not always paid within 30 days as required by section 65(2) of the MFMA.	Municipality will make arrangements for long outstanding creditors to pay an affordable instalment. To pay outstanding creditors within 30 days and increase revenue collection.
Interest was not charged on all accounts in arrears as required by section 64(2) (g) of the MFMA.	To enhance controls and the revenue procedures will be reviewed. Interest to be reviewed and charged on all overdue accounts every month
A credit control and debt control policy was not implemented as required by section 96(b) of the MSA and 62(1) (f) (iii) of the MFMA.	Credit policy to be reviewed ,demand letters to be sent to debtors, terminate services for non-payment and default on arrangements done on arrear debt
An adequate management, accounting and information system which accounts for assets was not in place as required by section 63(20© of MFMA.	Financial procedures will be reviewed enhance controls. Asset Reconciliations will be done and reviewed monthly.

# Chapter 6

Unauthorised and irregular expenditure was not investigated on time to determine if anyone is liable for the expenditure as required by section 32 (2)(a)(ii) of the MFMA	All section 32 expenditure will be submitted to council on quarterly basis for investigation
The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of sec122 of the MFMA. Material misstatements of current assets, liabilities, revenue, expenditure, disclosures items were identified by the auditors in the submitted financial statements.	Annual financial statement will be prepared in time to allow a proper review of financial statements.
Awards which had been made where the supplier submitted declaration of interest form, however the specific employee of the state was not included on the form as having an interest in the state.	Municipality will look for other ways of identifying people who have interest on the state but do not declare and will blacklist all those identified.

## COMPONENT B: AUDITOR-GENERAL OPINION YEAR 0 (CURRENT YEAR)

### 6.2 AUDITOR GENERAL REPORT YEAR 0

Auditor-General Report on Financial Performance Year 0*	
Status of audit report:	Unqualified with emphasis of matter
Non-Compliance Issues	Remedial Action Taken
Money owed by the municipality was not always paid within 30 days as required by section 65(2) of the MFMA.	Municipality will compile and implement financial recovery plan to improve its cash flow and payment of creditors within 30 days.
reasonable steps were not taken to ensure that fruitless and Wasteful, irregular and unauthorised expenditure is not incurred as required by section62(1)(d)of the MFMA	municipality will strengthen its controls and processes, take all reasonable steps to comply with section 62(1)(d) of the MFMA

# Chapter 6

The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of sec122 of the MFMA. Material misstatements of current assets, liabilities, revenue, expenditure, disclosures items were identified by the auditors in the submitted financial statements.

The municipality will compile a plan with timeframes to guide the preparation of the AFS and will submit the AFS for external reviews.

## Auditor-General Report on Service Delivery Performance: Year 0\*

Status of audit report**:	Unqualified with emphasis of matter
Non-Compliance Issues	Remedial Action Taken
Allegations were not always investigated as required by section 53 of the disciplinary regulations for senior managers and 171(4) of the MFMA	The municipality will adhere to the disciplinary regulations for senior managers.
Allegations of financial misconduct laid against officials were not investigated in accordance with the requirements of sections 54 of the municipal regulations on financial misconduct procedures and criminal proceedings	The municipality has established the disciplinary committee as required by section 54 and will proceed according to the requirements of the act.

## AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: YEAR 0

### Report of the auditor-general to the Eastern Cape Provincial Legislature and the council on the Great Kei Local Municipality

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

##### OPINION

1. I have audited the financial statements of the Great Kei Local Municipality set out on pages XXX to XXX, which comprise statement of financial position as at 30 June 2018, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amount for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Great Kei Local Municipality as at 30 June 2018, and its financial performance and cash

# Chapter 6

flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2013 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act, 2017 (Act No.3 of 2017) (DoRA).

## **BASIS FOR OPINION**

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **MATERIAL UNCERTAINTY RELATING TO FINANCIAL SUSTAINABILITY**

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.
7. I draw attention to note 41 to the financial statements, which indicates that the municipality incurred a net loss of R21 million (2016-17: R51 million) during the year ended 30 June 2018 and, as of that date the municipality's current liabilities exceeded its current assets by R41 million (2016-17: R26 million). As stated in note 41, these events or conditions, along with other matters as set forth in the same note, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern. As further stated in the same note, the Provincial Executive Committee invoked section 139.1(b) and 139.5 (a) of the Municipal Systems Act and put the municipality under administration. An administrator was seconded to the municipality by the Department of Co-operative Governance and Traditional Affairs (CoGTA).

## **EMPHASIS OF MATTERS**

8. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### **Debt Impairment: receivables from exchange and non-exchange transactions**

9. Material debt impairment of R39,8 million (2016-17: R31,9 million) and R47,4 million (2016-17: R39,4 million) on receivables from exchange and non-exchange transactions respectively were disclosed in note 4 and 5 to the financial statements.

### **Unauthorised expenditure**

10. As disclosed in note 43 to the financial statements, unauthorised expenditure of R18,7 million (2016-17: R28,3 million) was incurred in the current year due to inadequate budgeting and monitoring of expenditure.

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## Irregular Expenditure

11. As disclosed in note 45 to the financial statements, irregular expenditure of R2,6 million (2016-17: R1,6 million) was incurred in the current year due to non-compliance with procurement prescripts and regulations.

## Fruitless and wasteful expenditure

12. As disclosed in note 44 to the financial statements, fruitless and wasteful expenditure of R1,8 million (2016-17: R632 369) was incurred in the current year due to interest and penalties charged on overdue account payables.

## Restatement of corresponding figures

13. As disclosed in note 39 to the financial statements, the corresponding figures for 30 June 2017 have been restated as a result of errors only discovered during the year ended 30 June 2018.

## OTHER MATTER

14. I draw attention to the matter below. My opinion is not modified in respect of this matter.

## Unaudited disclosure notes

15. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

## RESPONSIBILITIES OF ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

16. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
17. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

## AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

18. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

# Chapter 6

material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

19. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

## REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

### INTRODUCTION AND SCOPE

20. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
21. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators/ measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
22. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priorities presented in the annual performance report of the municipality for the year ended 30 June 2018:

Development priorities	Pages in the annual performance report
KPA 1: Service Delivery and Infrastructure Provision	x – x
KPA 2: Local Economic Development	x – x

23. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
24. The material findings in respect of the usefulness and reliability of the selected development priorities are as follows:



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## KPA 1: Service Delivery and Infrastructure Provision

### SD09-01-NUMBER OF ADDITIONAL HOUSEHOLDS PROVIDED WITH WEEKLY REFUSE REMOVAL (OUTPUT)

25. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of target “18 additional households”. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievement of “Not achieved. Increase Collection points by 8 households” as reported in the annual performance report.

## KPA 2: Local Economic Development

### LED02-01-NUMBER OF JOB OPPORTUNITIES CREATED THROUGH EPWP, CWP AND MIG PROJECTS (OUTPUT)

26. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of target “500 jobs created”. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievement of “205-EPWP, 94-MIG, 550 CWP” as reported in the annual performance report.

### OTHER MATTERS

27. I draw attention to the matters below.

### ACHIEVEMENT OF PLANNED TARGETS

28. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the reliability of the reported performance information in paragraphs 24 to 25 of this report.

### ADJUSTMENT OF MATERIAL MISSTATEMENTS

29. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA 1: Service Delivery and Infrastructure Provision and KPA 2: Local Economic Development. As management subsequently corrected only some of the misstatements, I raised material findings on the reliability of the reported performance information. Those that were not corrected are reported above.

## REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

### INTRODUCTION AND SCOPE

30. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

# Chapter 6

31. The material findings on compliance with specific matters in key legislations are as follows:

## Annual financial statements, performance and annual report

32. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

## Expenditure management

33. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

34. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R1,9 million, as disclosed in note 44 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest and penalties charged because of late payments of suppliers.

35. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R18,7 million as disclosed in note 43 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by inadequate budgeting in respect of non-cash items.

## Human resource management

36. Four senior managers were appointed without the posts being advertised within 14 days of receipt of the council approval, as required by regulation 10(2) on appointment and conditions of employment of senior managers.

## Procurement and contract management

37. One contract was awarded to a bidder that did not score the highest points in the evaluation process, as required by section 2(1)(f) of Preferential Procurement Policy Framework Act and Preferential Procurement Regulations. This non-compliance was identified in the procurement processes for the Construction of Thembaletu/ Peace Village Internal Streets.

38. Bid documentation for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8(2). This non-compliance was identified in the procurement processes for the Supply and Delivery of Electrical Cables.

## Consequence management

39. I was unable to obtain sufficient appropriate audit evidence that losses resulting from unauthorised, irregular, fruitless and wasteful expenditure were recovered from the liable person, as required by section 32(2) of the MFMA. This was due to proper and complete records that were

# Chapter 6

not maintained as evidence to support the investigations into unauthorised, irregular, fruitless and wasteful expenditure.

## Strategic Planning and Performance

40. The SDBIP for the year under review did not include monthly revenue projections by source of collection and the monthly operational and capital expenditure by vote as required by section 1 of the MFMA.

## OTHER INFORMATION

41. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected development objectives presented in the annual performance report that have been specifically reported in this auditor's report.
42. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
43. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
44. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate, however, if it is corrected this will not be necessary.

## INTERNAL CONTROL DEFICIENCIES

45. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
46. Instability in leadership combined with insufficient financial resources created considerable strain on the internal operations and controls of the municipality which resulted in a lack of coordination between directorates, inadequate staffing in critical directorates and an overreliance on few dedicated employees to compile the financial statements and audit reports. This resulted in material errors in both the financial statements and performance reports being reported, as well as material non-compliance findings.

# Chapter 6

47. Daily, monthly and quarterly controls were inadequate to maintain an adequate filing system for efficient retrieval of supporting documentation that agrees to the financial and performance records of the municipality. The directorates of the municipality operate separately which could result in delayed reporting and potentially impact service delivery.
48. The municipality continued to incur unauthorised, fruitless and wasteful as well as irregular expenditure during the year with no supporting evidence that adequate follow up and investigations had occurred for these types of expenditure reported in previous financial years. The backlog of investigations could limit the resources available to those charged with governance to adequately carry out their duties in this regard.

## OTHER REPORTS

49. I draw attention to the following engagement conducted by third parties that had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. This engagement did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

## INVESTIGATION

50. There is an ongoing investigation at year end being conducted by CoGTA into alleged misconduct at the municipality.

Auditor-General

East London

21 December 2018



# Chapter 6

## ANNEXURE – AUDITOR-GENERAL’S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected objectives and on the municipality’s compliance with respect to the selected subject matters.

### FINANCIAL STATEMENTS

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
  - Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
  - Conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Great Kei Municipality’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease continuing as a going concern
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

### COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

# Chapter 6

4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

T 6.2.3

## COMMENTS ON AUDITOR-GENERAL'S OPINION YEAR 0:

The municipality is satisfied with the audit results as they reflect the efforts that have been put towards the administration of the municipality. This is a huge achievement for the Great Kei municipality and community but is not the final destination. The municipality still aims at improving its administration and attain a clean audit providing service delivery that is of quality and adds value to the lives of the Great Kei Community. The municipality has noted Auditor General's comments on the financial health of its position and commits to work tirelessly to turn the situation to better.

T 6.2.4

## COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief Financial Officer)..... Dated

T 6.2.5

## GLOSSARY

<b>Accessibility indicators</b>	<b>Explore whether the intended beneficiaries are able to access services or outputs.</b>
<b>Accountability documents</b>	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
<b>Activities</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
<b>Approved Budget</b>	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
<b>Baseline</b>	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
<b>Basic municipal service</b>	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>Financial Statements</b>	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
<b>General performance indicators</b>	<b>Key</b> After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs. Inputs are “ <i>what we use to do the work</i> ”. They include finances, personnel, equipment and buildings.
<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National performance areas</b>	<b>Key</b> <ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of



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	achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
<b>Service Delivery Budget Implementation Plan</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>Vote:</b>	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: <i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i> <i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i>



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### APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councilors, Committees and Council Attendance					
Council Members	Full Time / Part Time	Committee Allocated	Ward and / Party Representative	Percentage of Council Meeting Attendance	Percentage of apologies for non-attendance
LD. TSHETSHA	FT	Rules & Oversight Committee	ANC	100%	0%
N. KHANTSHASHE-TILDINI	PT	Corporate Services Committee	ANC	100%	0%
N.MGEMA	PT	Good Governance & Public Participation	ANC	100%	0%
L.MTHLONTLO	PT	Local Economic Development	ANC	100%	0%
T.GQOMORHOSHE	PT	Service Delivery & Infrastructure Development	ANC	100%	0%
N. MEVANA-SISWANA	PT	Financial Viability & Sustainability	ANC	100%	0%

### APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees ( other than Mayoral / Executive Committee) and purposes of Committee	
Municipal Committee	Purpose of the Committee
Rules & Oversight Committee	Manage the drafting of the council rules and oversee the process of implementation thereof;
Corporate Services Committee	To look in matter of institutional welfare and provide advice on staff, council support issues
Good Governance & Public Participation	To holistically ensure matters affecting previously disadvantaged groups of people are attended to and encourages community participation in municipal businesses
Local Economic Development	Encourages local business support and tourism development with the Municipal jurisdiction

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Service Delivery & Infrastructure Development	Oversee the delivery of services through infrastructural projects and initiation
Financial Viability & Sustainability	Oversee the financial viability of the institution and ensuring that the Municipality is liquid financially
Municipal Public Accounts Committee	
Audit Committee	Provides Oversight on municipality's financial performance working with the institution's administration and making recommendations to council
Risk Management Committee	<b>Assess and analyze institutional threats and provides mitigating measure thereof</b>

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## APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
<b>Office: Municipal Manager</b>	Acting
	Mr. T. Nelani Manager Mayor's Office ( Acting)
<b>Directorate</b>	Director / Manager ( Title and Name)
<b>Strategic Services</b>	Mr. Mtalo Mzimasi: Director
	Mr. L. Juju : IDP / PMS Manager
	Mr. L. Mkonjiswa Manger LED ( Acting)
<b>Corporate Services Directorate</b>	Mr. Jongisizwe Gomomo: Director
	Mr. B.T Douglas : Admin & Council Support Manager
	Ms. P Dumalisile: Human Resources Manager
<b>Community Services</b>	MS Olwethu Kwababana: Director
	Mr. R Mnkile: Solid Waste Manager
	Mr. V. Makhwayiba Manager Traffic Services
<b>Technical Services</b>	Mr. M. Mapasa : Manager Infrastructure
	Mr. M. Gila : Manager PMU
	Mr. S. Sicwebu : Town Planner
<b>Budget and Treasury Office</b>	Ms Sindiswa Mini: CFO
	Ms. T. Sikolo Manager Budget & Treasury
	Ms. Y. Simayile Supply Chain & Asset Manager
	Ms. T. Sontshaka Expenditure & Payroll Manager
	Ms. N. Sana Manager Budget & Reporting
	Ms. F. Fikeni Revenue & Debt Manager
	Mr. S. Gajana IT Manager ( Acting)

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## APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
<b>Constitution Schedule 4, Part B functions:</b>		
Air pollution	No	No
Building regulations	Yes	No
Child care facilities	Yes	No
Electricity and gas reticulation	Yes	No
Firefighting services	No	No
Local tourism	Yes	No
Municipal airports	No	No
Municipal planning	Yes	No
Municipal health services	No	No
Municipal public transport	No	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	No	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	No
Storm water management systems in built-up areas	Yes	No
Trading regulations	Yes	No
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	No	No
Beaches and amusement facilities	Yes	No
Billboards and the display of advertisements in public places	Yes	No
Cemeteries, funeral parlours and crematoria	Yes	No
Cleansing	No	No
Control of public nuisances	Yes	No
Control of undertakings that sell liquor to the public	No	No
Facilities for the accommodation, care and burial of animals	Yes	No
Fencing and fences	Yes	No

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Licensing of dogs	Yes	No
Licensing and control of undertakings that sell food to the public	Yes	No
Local amenities	Yes	No
Local sport facilities	Yes	No
Markets	Yes	No
Municipal abattoirs	No	No
Municipal parks and recreation	Yes	No
Municipal roads	Yes	No
Noise pollution	No	No
Pounds	Yes	No
Public places	Yes	No
Refuse removal, refuse dumps and solid waste disposal	Yes	No
Street trading	Yes	No
Street lighting	Yes	No
Traffic and parking	Yes	No
<b>* If municipality: indicate (yes or No); * If entity: Provide name of entity</b>		<b>T D</b>

## APPENDIX E – WARD REPORTING

### Functionality of Great Municipal Ward Committees

Ward Number	Name of ward Councilor	Committee established Yes/No	Number of monthly ward committee meetings	Number of submission reports	Number of quarterly public meetings
1	Cllr. Beverly Wood	Yes	1 monthly meetings	12 monthly reports	4 Quarterly meetings
2	Cllr. Zolani Nzuzo	Yes	1 monthly meetings	12 monthly reports	4 Quarterly meetings
3	Cllr. Lwandisa Mhlontlo	Yes	1 monthly meetings	12 monthly reports	4 Quarterly meetings
4	Cllr. Nonkosinathi Mevana-Siswana	Yes	1 monthly meetings	12 monthly reports	4 Quarterly meetings
5	Cllr. Ndileka Kantshashe-Tildini	Yes	1 monthly meetings	12 monthly reports	4 Quarterly meetings
6	Cllr. Linda Tonze	Yes	1 monthly meetings	12 monthly reports	4 Quarterly meetings
7	Cllr. Themba Gqomoroshe	Yes	1 monthly meetings	12 monthly reports	4 Quarterly meetings
					<b>TE</b>

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## APPENDIX F – WARD INFORMATION

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery					
Households without minimum service delivery					
Total Households*					
Houses completed in year					
Shortfall in Housing units					
*Including informal settlements					T.F.2

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED – MAXIMUM 12 MEETINGS)  
Refer to *TE*

T F.3

## APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 0

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2017/18 FY	Recommendations adopted Yes/No
06 March 2018	<ul style="list-style-type: none"> <li>Mr Daka requested that the time frames set for the review of the charters be submitted to the Audit Committee.</li> </ul>	Yes
	<ul style="list-style-type: none"> <li>Internal Audit to report on positive findings as well lifting the risk levels</li> <li>Consider establishing training center for EPWP workers to build skills for the future</li> <li>Management must look into the HR issues raised.</li> </ul>	Yes
	<ul style="list-style-type: none"> <li>Detailed reasons for the variances must be reflected on the report</li> </ul>	Yes

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	<ul style="list-style-type: none"> <li>•Present a concrete plan on settling the third party payments owing</li> </ul>	
	<ul style="list-style-type: none"> <li>Management must put correct timeframes in the Audit action plan and classify actions according to the ability of the municipality e.g. Short term, medium term or long-term.</li> </ul>	Yes
	<p>Identify other revenue sources and develop a Revenue enhancement strategy</p> <ul style="list-style-type: none"> <li>•Correct the terminology of used as the debt recovery strategy is not revenue enhancement.</li> <li>•Debtors not paying must be taken to court and their properties must be sold to recoup                             <ul style="list-style-type: none"> <li>•Follow up on debtors before they become irrecoverable</li> </ul> </li> </ul>	Yes
	<ul style="list-style-type: none"> <li>Management to present a plan on the MSCOA implementation</li> </ul>	Yes

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## APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

For more detail refer to attached AFS

### Long Term Contracts (20 Largest Contracts Entered into during Year 0)

Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract
Gigal	Provision of Professional Services for Magrangxeni Internal Streets	07/07/2017	30/06/2018
Beez Works JV M	Construction of Komga Elderly Multi - Purpose Peace Village	18/07/2017	31/01/2018
Beez Works JV M	Construction of Soto Disability Multi - Purpose Centre	20/09/2017	31/03/2018
ICT Choice	Supply and Delivery of Microsoft Licensing	29/09/2017	31/10/2017
B & Sons Civils cc	Construction of Thembelathu/ Peace Village Internal Streets	19/09/2017	31/03/2018
Yandisa Construction Services cc	Construction of Magrangxeni Internal Streets	04/12/2017	30/06/2017
Mzantsi Facilitators	Provision of Life Savers for Great Kei Municipality	06/12/2017	02/04/2018
Itec East Cape	Supply, Deliver, Install and Lease of Heavy Duty Multi - Functional Printer	27/03/2018	30/04/2021

### Public Private Partnerships Entered into during Year 0

Name and Description of Project	Name of Partner(s)	Initiation Date	Expiry date



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## APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

N/A

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## APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Refer to AFS

## APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

Refer to AFS

### APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
						R' 000
Vote Description	Year -1	Current: Year 0			Year 0 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Municipal Council	104		65	331	#DIV/0!	509%
Financial Management	73 046	91 694	82 926	71 309	78%	86%
Human Resources	72	100	100	12	12%	12%
Admin & Community						
Services	0	0	0	0	0%	0%
Refuse	9 260	5 656	9 952	9 886	175%	99%
Caravan Park	0	0	0	0	0%	0%
Cemeteries	0	0	0	0	0%	0%
Libraries	0	0	0	0	0%	0%
Amenities	616	808	808	724	90%	90%
Traffic	1 517	1 691	1 591	1 140	67%	72%
Roads	13 023	12 634	12 634	12 632	100%	100%
Town Planning	159	600	100	203	34%	203%
Electricity	10 672	11 575	11 501	10 660	92%	93%
IDP & LED	23	0	0	8	0%	0%
<b>Total Revenue by Vote</b>	<b>108 492</b>	<b>124 758</b>	<b>119 677</b>	<b>106 905</b>	<b>1</b>	<b>1</b>
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3						
						T K.1

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## APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
R '000						
Description	Year -1	Year 0			Year 0 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	22 787	17 000	24 516	21 583	21%	-14%
Property rates - penalties & collection charges	47	–	–	–	0%	0%
Service Charges - electricity revenue	6 381	7 575	7 501	6 945	-9%	-8%
Service Charges - water revenue	–	–	–	–	0%	0%
Service Charges - sanitation revenue	–	–	–	–	0%	0%
Service Charges - refuse revenue	9 258	5 656	9 952	9 886	43%	-1%
Service Charges - other	–	–	–	–	0%	0%
Rentals of facilities and equipment	287	250	315	529	53%	40%
Interest earned - external investments	319	518	214	111	-367%	-93%
Interest earned - outstanding debtors	6 304	5 814	6 917	5 286	-10%	-31%
Dividends received	–	–	–	–	0%	0%
Fines	105	3	3	19	86%	86%
Licenses and permits	1 412	1 488	1 488	1 122	-33%	-33%
Agency services	–	200	0	–	0%	0%
Transfers recognized - operational	44 804	39 036	38 966	44 478	12%	12%
Other revenue	808	31 635	14 121	958	-3202%	-1374%
Gains on disposal of PPE		212	212	1 284	0%	0%
Environmental Protection	–	–	–	–	0%	0%

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<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>92 511</b>	<b>109 387</b>	<b>104 206</b>	<b>92 199</b>	<b>-18.64%</b>	<b>-13.02%</b>
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.</i>						<b>T K.2</b>

## APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Neighbourhood Development Partnership Grant	0	0	0	0%	0%	
Public Transport Infrastructure and Systems Grant	930000	930000	930000	0%	0%	
Municipal Sysytems Improvement Grant	930000	930000	930000	0%	0%	
Other Specify:	3875000	3875000	3870368	0%	0%	
Finance Management Grant	1875000	1875000	1875000	0%	0%	
Extendend Public Work Programme Gant	1000000	1000000	1000000	0%	0%	
Intergrated Electrification Grant	1000000	1000000	995368	0%	0%	
<b>Total</b>	<b>4805000</b>	<b>4805000</b>	<b>4800368</b>	<b>0%</b>	<b>0%</b>	
* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.						T L

### COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

Refer to annual financial statements.

T L.1

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## APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

### APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Program*							
R '000							
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b>Capital expenditure by Asset Class</b>							
<b>Infrastructure - Total</b>	<b>5 782</b>	<b>9 644</b>	<b>9 644</b>	<b>8 599</b>	<b>13 677</b>	<b>14 132</b>	<b>14 519</b>
<b>Infrastructure: Road transport - Total</b>	<b>3 109</b>	<b>5 644</b>	<b>5 644</b>	<b>5 878</b>	<b>6 677</b>	<b>6 732</b>	<b>7 119</b>
<i>Roads, Pavements &amp; Bridges</i>	<b>3 109</b>	<b>5 644</b>	<b>5 644</b>	<b>5 878</b>	<b>6 677</b>	<b>6 732</b>	<b>7 119</b>
<b>Infrastructure: Electricity - Total</b>	<b>2 673</b>	<b>4 000</b>	<b>4 000</b>	<b>2 721</b>	<b>6 000</b>	<b>6 400</b>	<b>6 400</b>
<i>Generation</i>							
<i>Transmission &amp; Reticulation</i>	<b>2 673</b>	<b>4 000</b>	<b>4 000</b>	<b>2 721</b>	<b>6 000</b>	<b>6 400</b>	<b>6 400</b>
<i>Street Lighting</i>							
<b>Infrastructure: Other - Total</b>		<b>–</b>		<b>–</b>	<b>1 000</b>	<b>1 000</b>	<b>1 000</b>
<i>Waste Management</i>		<b>0</b>	<b>0</b>		<b>1 000 000</b>	<b>1 000 000</b>	<b>1 000 000</b>
<b>Community - Total</b>	<b>7 690</b>	<b>5 200</b>	<b>5 200</b>	<b>4 906</b>	<b>3 700</b>	<b>3 700</b>	<b>3 700</b>
<i>Parks &amp; gardens</i>					<b>1 000 000</b>	<b>1 000 000</b>	<b>1 000 000</b>
<i>Sports fields &amp; stadia</i>							
<i>Swimming pools</i>							
<i>Community halls</i>	<b>4 028</b>	<b>–</b>	<b>–</b>	<b>84</b>	<b>2 700 000</b>	<b>2 700 000</b>	<b>2 700 000</b>
<i>Libraries</i>							
<i>Recreational facilities</i>	<b>3 662</b>	<b>5 200</b>	<b>5 200</b>	<b>4 821</b>	<b>0</b>	<b>0</b>	<b>0</b>

Capital Expenditure - New Assets Program*							
R '000							
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3

# APPENDICES

<b>Capital expenditure by Asset Class</b>							
<b>Heritage assets - Total</b>	0	–		7 603	–	–	–
Buildings				<b>7 603 344</b>			
Other	<b>36</b>						
<b>Other assets</b>	<b>97</b>	<b>2 870</b>	<b>770</b>	<b>168</b>	<b>250</b>	<b>264</b>	<b>278</b>
General vehicles		1 300					
Specialised vehicles							
Plant & equipment	11			58			
Computers - hardware/equipment	0	1 370	750	110	90	95	100
Furniture and other office equipment	86	200	20	–	160	169	178
<b>Intangibles</b>	35	–		–	–	–	–
Computers - software & programming	35						
Other (list sub-class)							
<b>Total Capital Expenditure on new assets</b>	<b>13 640</b>	<b>17 714</b>	<b>15 614</b>	<b>21 277</b>	<b>17 627</b>	<b>18 096</b>	<b>18 497</b>

## APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

NOT APPLICABLE

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# APPENDICES

## APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 0

Capital Programme by Project: Year 0					
					R' 000
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
<b>Water</b>					
"Project A"	0	0	0	0%	0%
<b>Sanitation/Sewerage</b>					
"Project A"	0	0	0	0%	0%
<b>Electricity</b>					
Bulk Electricity Upgrade	1000	1000	995	-1%	-1%
"Project B"	0	0	0	0%	0%
<b>Housing</b>					
"Project A"	0	0	0	0%	0%
<b>Refuse removal</b>					
Landfill Site Repairs	250000	203244	224560	0%	0%
"Project B"	0	0	0	0%	0%
<b>Stormwater</b>					
A - Roads Construction	12535	13794	9485	-45%	-32%
"Project B"	0	0	0	0%	0%
<b>Economic development</b>					
LED Agriculture	150000	120000	111188	-8%	-35%
LED Tourism	200000	250000	229558	-9%	13%
<b>Sports, Arts &amp; Culture</b>					
Library project	410000	410000	100269	-309%	-309%
"Project B"	0	0	0	0%	0%
<b>Environment</b>					
"Project A"	0	0	0	0%	0%
<b>Health</b>					
"Project A"	0	0	0	0%	0%
<b>Safety and Security</b>					
"Project A"	0	0	0	0%	0%
<b>ICT and Other</b>					
IT Related Projects	1000000	600000	266794	-125%	-275%
Software Licencing	400000	344311	344310	0%	-16%
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# APPENDICES

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 0

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION



# APPENDICES

## APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

# APPENDICES

## APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services	Municipality's focus is on roads, electricity and public facilities. As per the performance report attached in this Annual Report, significant progress has been made. However, availability of budget to implement major projects remains a challenge. More funding will be required to meet municipality's service delivery objective.	7 kms of gravel roads constructed at Bhola Village and Old Location.  3 community Halls constructed at Bhola Village, Sithungu and Silatsha.
Output: Implementation of the Community Work Programme	The municipality has created 550 CWP jobs for the 2016/17 financial year.	550 jobs created
Output: Deepen democracy through a refined Ward Committee model	The Municipality is committed to deepening democracy within implementation of various programmes. These include implementation of Mayor's community participation programme, various stakeholder and community participation fora. Community based programmes are implemented at ward level.	Significant progress achieved
Output: Administrative and financial capability	The municipal audit has significantly improved over the past years. The 2012/13-Adverse, 2013/14-Disclaimer, 2014/15-Qualified and 2015/16 financial years' audit reports have been unqualified. A clean audit is now the focus of the municipality.	Unqualified audit opinion
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# VOLUME II

## VOLUME II: ANNUAL FINANCIAL STATEMENTS

Provide the Annual Financial Statements (AFS) to the respective financial year as submitted to the Auditor-General. The completed AFS will be Volume II of the Annual Report.